

## **EXHIBIT “A”**

ID# 2019-0083851-CV  
EF FILED IN OFFICE  
CLERK OF SUPERIOR COURT  
COBB COUNTY, GEORGIA  
**19104534**  
LEONARD - 53  
JUN 20, 2019 07:47 PM

*Rebecca Keaton*  
Rebecca Keaton, Clerk of Superior Court  
Cobb County, Georgia

**SUPERIOR COURT OF COBB COUNTY  
STATE OF GEORGIA**

CIVIL ACTION NUMBER 19104534

\$232.00 COST PAID

Huck, Ronald  
Huck, Peggy

**PLAINTIFF**

VS.

Philadelphia Indemnity Insurance Company  
Philadelphia Consolidated Holding Corp.,  
DBA D/B/A/ Philadelphia Insurance  
Companies

**DEFENDANTS**

**SUMMONS**

TO THE ABOVE NAMED DEFENDANTS:

You are hereby summoned and required to file with the Clerk of said court and serve upon the Plaintiff's attorney, whose name and address is:

David Cohen  
Complex Law Group, LLC  
40 Powder Springs Street  
Marietta, Georgia 30064

an answer to the complaint which is herewith served upon you, within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

This 21st day of June, 2019.

Clerk of Superior Court



*Rebecca Keaton*  
Rebecca Keaton, Clerk of Superior Court  
Cobb County, Georgia

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DISCLOSURE STATEMENT  
 CLERK OF SUPERIOR COURT

CASE NUMBER 19104534

  
 Rebecca Keaton, Clerk of Superior Court  
 Cobb County, Georgia

Huck, Ronald; Huck, Peggy

Plaintiff

Vs.

Philadelphia Indemnity Insurance Company; Philadelphia Consolidated Holding Corp.

Defendant

TYPE OF ACTION

- Divorce without Agreement Attached
- Divorce with Agreement Attached
- Domestic Relations
- Damages Arising out of Contract
- Damages Arising out of Tort
- Condemnation
- Equity
- Zoning – County Ordinance Violations (i.e., Injunctive Relief-Zoning)
- Zoning Appeals (denovo)
- Appeal, Including denovo appeal – excluding Zoning
- URESA
- Name Change
- Other
- Recusal
- Adoption

PREVIOUS RELATED CASES

Does this case involve substantially the same parties, or substantially the same subject matter, or substantially the same factual issues, as any other case filed in this court (Whether pending simultaneously or not)?

- NO
- YES – If yes, please fill out the following:

1. Case # \_\_\_\_\_

2. Parties \_\_\_\_\_

3. Assigned Judge \_\_\_\_\_

4. Is this case still pending?       Yes       No

5. Brief description of similarities:

/S/ Cohen, David

Attorney or Party Filing Suit

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 COBB COUNTY, GEORGIA  
**19104534**  
 LEONARD - 53  
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### General Civil and Domestic Relations Case Filing Information Form

Superior or  State Court of Cobb County

#### For Clerk Use Only

Date Filed 06-20-2019 Case Number 19104534  
MM-DD-YYYY

  
 Rebecca Keaton, Clerk of Superior Court  
 Cobb County, Georgia

#### Plaintiff(s)

Huck, Ronald	Last	First	Middle I.	Suffix	Prefix
Huck, Peggy	Last	First	Middle I.	Suffix	Prefix
	Last	First	Middle I.	Suffix	Prefix
	Last	First	Middle I.	Suffix	Prefix
	Last	First	Middle I.	Suffix	Prefix

Plaintiff's Attorney Cohen, David

#### Defendant(s)

Philadelphia Indemnity Insurance Company	Last	First	Middle I.	Suffix	Prefix
Philadelphia Consolidated Holding Corp.	Last	First	Middle I.	Suffix	Prefix
	Last	First	Middle I.	Suffix	Prefix
	Last	First	Middle I.	Suffix	Prefix
	Last	First	Middle I.	Suffix	Prefix

Bar Number 173503 Self-Represented

#### Check One Case Type in One Box

##### General Civil Cases

- Medical Malpractice Tort
- Product Liability Tort
- Automobile Tort
- General Tort
- Contract
- Real Property
- Civil Appeal
- Habeas Corpus
- Restraining Petition
- Injunction/Mandamus/Other Writ
- Garnishment
- Landlord/Tenant
- Other General Civil

##### Domestic Relations Cases

- Dissolution/Divorce/Separate Maintenance
- Paternity/Legitimation
- Support – IV-D
- Support – Private (non-IV-D)
- Adoption
- Family Violence Petition
- Other Domestic Relations

##### Post-Judgement – Check One Case Type

- Contempt
- Non-payment of child support, medical support, or alimony.
- Modification
- Administrative/Other

- Check if the action is related to another action(s) pending or previously pending in this court involving some or all the same parties, subject matter, or factual issues. If so, provide a case number for each.

Case Number \_\_\_\_\_ Case Number \_\_\_\_\_

Case Number

Case Number

- I hereby certify that the documents in this filing, including attachments and exhibits, satisfy the requirements for redaction of personal or confidential information in O.C.G.A. §9-11-7.1.
- Is interpreter needed in this case? If so, provide the language(s) required. \_\_\_\_\_ Language(s) Needed
- Do you or your client need any disability accommodations? If so, please describe the accommodation request.

ID# 2019-0083849-CV  
EFILED IN OFFICE  
CLERK OF SUPERIOR COURT  
COBB COUNTY, GEORGIA  
**19104534**  
LEONARD - 53  
JUN 20, 2019 07:47 PM

IN THE SUPERIOR COURT OF COBB COUNTY  
STATE OF GEORGIA

RONALD HUCK and PEGGY HUCK, individually  
and on behalf of all those similarly situated,

*Rebecca Keaton*  
Rebecca Keaton, Clerk of Superior Court  
Cobb County, Georgia

Plaintiffs,

Civil Action No. \_\_\_\_\_

v.

JURY TRIAL DEMANDED

PHILADELPHIA CONSOLIDATED  
HOLDING CORP. D/B/A PHILADELPHIA  
INSURANCE COMPANIES, and PHILADELPHIA  
INDEMNITY INSURANCE COMPANY,

Defendants

/

**CLASS ACTION COMPLAINT**

Plaintiffs RONALD HUCK and PEGGY HUCK (husband and wife) (collectively Plaintiffs), individually and on behalf of all others similarly situated, allege the following against Defendants Philadelphia Consolidated Holding Corp, d/b/a Philadelphia Insurance Companies, and Philadelphia Indemnity Insurance Company (“Defendants”):

**INTRODUCTION**

1. Georgia law and Defendants’ insurance policies with Plaintiffs and putative Class members require Defendants to assess for and, when found, pay for diminution in value of property insured by Defendants resulting from covered insurance claims. Despite these obligations, Defendants systematically fail to assess for diminution in value and to pay property owners for diminution in value their properties have incurred.

2. Plaintiffs have paid monthly home owner association (“HOA”) dues for years, which pay for the insurance premiums for direct coverage with Defendants on their home, including for water damage. Plaintiffs timely reported a claim for physical loss to their home in

excess of \$50,000 resulting from water damage and other covered damage on or about January 7, 2014.

3. Defendants not only were required to pay the costs of repair but also to assess for and either pay any diminution in the fair market value of the insured property that exists, despite physical repairs of the water damage and other covered damage giving rise to the covered claim, or else deny the existence of diminished value.

4. In violation of Georgia law and in breach of their insurance contract, Defendants failed to perform an assessment of Plaintiffs' property for diminution in value, despite physical repairs of the water damage and other covered damage, and failed to pay Plaintiffs for such diminution in value to their insured home or else deny the existence of diminished value.

5. As specified in paragraph 28, Plaintiffs seek to represent a Class of current and former property owners insured by Defendants who suffered direct physical losses to their insured properties caused by water damage, mold damage, fire damage, foundation damage, and/or structural damage, but for which damage Defendants failed to assess and either pay diminution in value to those properties where it is found to exist or deny its existence, in breach of Defendants' contractual obligations. On behalf of themselves and this proposed Class, Plaintiffs seek specific performance and/or injunctive relief as remedies for Defendants' breach, requiring Defendants to fulfill their contractual obligations and to perform a good faith assessment for diminished value based on an appropriate uniform methodology and either (1) pay any diminution in the fair market value of the insured property that exists, or (2) deny the existence of such diminished value.

#### **THE PARTIES**

6. Plaintiffs Ronald and Peggy Huck reside at 2275 Falmouth Court SE, Smyrna, Georgia 30080, and own the real property located at that address. At all times pertinent to this

action, Plaintiffs' home and property were directly insured under an insurance policy issued by Defendants, with Policy Number PHPK996169 (the "Policy"). The Policy of insurance was applied for and obtained in the State of Georgia. A copy of this policy is attached as Exhibit A hereto.

7. Defendant Philadelphia Consolidated Holding Corp., d/b/a Philadelphia Insurance Companies, is a foreign insurance company that is incorporated in Pennsylvania, and which maintains its principal place of business at One Bala Plaza, suite 100, Bala Cynwyd, PA 19004.

8. Defendant Philadelphia Indemnity Insurance Company is a foreign insurance company that is incorporated in Pennsylvania (and is a licensed insurer in the State of Georgia), and which maintains its principal place of business at One Bala Plaza, suite 100, Bala Cynwyd, PA 19004. Defendant's Registered Agent for service in Georgia is CT Corporation System, 289 S. Culver Street, Lawrenceville, GA 30046-4805.

#### **JURISDICTION AND VENUE**

9. This Court has personal jurisdiction over the Defendants pursuant to Ga. Const. Art. VI, § 4, ¶ 1. Venue is proper in this Court pursuant to Ga. Const. Art. VI, Sec II, Par. III and VI. At all relevant times Defendants have regularly transacted business in Cobb County, Georgia and have thus, availed themselves of this jurisdiction through business and economic contacts in this forum and have sufficient minimum contacts within the State of Georgia. Further, a substantial part of the events and omissions giving rise to Plaintiffs' claims occurred in Cobb County.

#### **COMMON ALLEGATIONS**

I. **Under Georgia Law, Insurers Must Assess—and Pay—for Diminution in Value of Covered Property, Unless Diminution in Value is Specifically Excluded From the Listed Covered Losses in an Insurance Policy.**

10. Under Georgia law, unless an insurance policy specifically excludes diminution of value from its definition of covered losses, then coverage for diminution in value is a part of the

contract comprising the insurance policy.

11. Under such policies, when claims are presented for direct physical loss to covered properties, insurers not only are required to pay the costs of repair, but also to perform a good faith assessment for diminished value based on an appropriate uniform methodology and either (1) pay any diminution in the fair market value of the insured property that exists, or (2) deny the existence of such diminished value.

12. There is no duty for an insured to articulate a distinct and specific claim for diminished value. Rather, Georgia law imposes on insurers a duty to evaluate claims for *all* losses, including diminished value, whether or not an insured articulates a specific request for payment for diminished value.

**II. Defendants' Contracts With Their Insureds Do Not Exclude Diminution In Value From Covered Losses, and Defendants Have an Affirmative Duty to Assess and Pay for Diminution in Value When Adjusting Claims For Covered Properties.**

13. Defendants offer insurance policies ("Policies") to and for property owners in Georgia.

14. Defendants' Policies do not exclude diminution in value from covered losses for damage to real property. Because the Policies insure against direct physical loss, they provide coverage for diminished value absent a valid exclusion for such coverage.

15. Nothing in Defendants' Policies require owners of property insured by Defendants to specifically assert a claim for diminished value as a specific element of damage.

**III. Defendants Uniformly Fail to Assess for Diminution In Value When Adjusting Covered Claims.**

16. Despite being contractually obligated to assess for diminution in value when adjusting claims under the Policies, Defendants systemically fail to make such assessment, and accordingly, systemically fail to pay insureds for diminished value in their property, or else deny

that such diminution in value exists.

**ALLEGATIONS SPECIFIC TO THE PLAINTIFFS**

17. At all times pertinent hereto, Plaintiffs' home was directly insured under the Policy. The Policy was issued in the State of Georgia and was drafted by Defendants and/or Defendants' agents.

18. Plaintiffs performed all contractual conditions required for maintenance and coverage afforded under the Policy, including the timely payment of HOA premiums, part of which is paid to Defendants for direct coverage of Plaintiffs' home under the Policy, and the timely notification of their loss to Defendants.

19. The Policy insures against direct physical loss and obligates Defendants to settle any covered loss to covered properties. Like all of Defendants' Policies, the Policy does not exclude diminution in value from covered losses incurred to real property.

20. On or about January 7, 2014, Plaintiffs' home and property were directly insured under the Policy, and on that same date, Plaintiffs' home suffered water and other covered damage, which was an event covered under the Policy.

21. Plaintiffs timely reported the loss to Defendants and otherwise complied with the terms and conditions of the Policy.

22. Defendants accepted Plaintiffs' claim, interacted directly and through their agents with Plaintiffs in adjusting the claim as a covered loss and assigned the covered loss the claim number PHCO14010774818.

23. Defendants subsequently paid certain repair costs with respect to Plaintiffs' home, including water remediation costs, which totaled more than \$50,000.

24. At no time did Defendants indicate that they were denying any portion of

Plaintiffs' claim. At the time Defendants authorized the repairs to Plaintiffs' home and adjusted the claim, however, Defendants took no action to assess any diminution in the fair market value of Plaintiffs' property, nor did Defendants deny the existence of diminished value.

25. Despite failing to fulfill their obligations under Georgia law and assess for diminished value in Plaintiffs' property, Defendants purported to fully adjust the claim.

26. Despite the repairs to the physical damage to Plaintiffs' home as a result of water and other covered damage to Plaintiffs' property, Plaintiffs allege that the fair market value of their property was diminished. Plaintiffs' further assert that they will be required to disclose the water and other damage to a subsequent purchaser upon sale of their home.

27. Defendants were obligated to fully adjust Plaintiffs' claim for all covered losses, including diminished value. However, contrary to Plaintiffs' justified expectations, Defendants failed to assess Plaintiffs' home for diminished value and failed to pay diminished value or deny its existence as required under Georgia law.

#### **CLASS ALLEGATIONS**

28. Plaintiff brings this action pursuant to O.C.G.A. § 9-11-23 individually and on behalf of all others similarly situated, as representatives of the following Class:

All individuals and entities formerly or currently insured under insurance policies issued by Defendants that provide coverage for their property located in the State of Georgia who, within the period of six years preceding the commencement of this action through the date of class certification, presented first-party claims arising from direct physical losses to their properties as a result of water damage, mold damage, fire damage, foundation damage and/or structural damage to their property but for which Defendants failed to perform a diminished-value assessment in connection with said claims.

29. Excluded from the above Class are Defendants and their parents or subsidiaries, any entities in which they have a controlling interest, as well as Defendants' officers, directors,

affiliates, legal representatives, heirs, predecessors, successors, and assigns. Also excluded are any Judge to whom this case is assigned as well as his or her judicial staff and immediate family members.

30. The prerequisites to class certification under O.C.G.A. § 9-11-23 are met in that:

A. **Numerosity.** The members of the class are so numerous that joinder of all members is impractical. While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained through appropriate discovery, upon information and belief, Plaintiffs allege there are at least hundreds of individuals and entities in the State of Georgia who are members of the proposed Class. Defendants have access to addresses and other contact information for all members of the Class, and thus, the precise number of class members and their identities can be ascertained from Defendants' records.

B. **Commonality.** Plaintiffs' claims raise questions of law and fact common to all members of the Class. Among the questions of law and fact common to the Class are the following:

- (i) Whether Defendants' Policies issued in Georgia provide coverage for diminished value;
- (ii) whether, under Georgia law and pursuant to Defendants' Policies, Defendants are required to assess for any diminution in value to insured properties sustained as the result of water damage, mold damage, fire damage, foundation damage, and/or structural damage where such damage is a covered event under the applicable insurance policy;
- (iii) whether Defendants failed to assess for diminution in value when Class members presented first-party physical damage claims arising from direct

physical losses to insured properties caused by water damage, mold damage, fire damage, foundation damage, and/or structural damage, which are covered events under the Policies;

- (iv) whether Defendants' practices complained of herein should be enjoined; and
- (v) whether Defendants should be ordered to specifically perform their contractual obligations;

**C. Typicality.** Plaintiffs' claims are typical of the claims of the Class. Plaintiffs and Class members were injured through Defendants' uniform misconduct and their legal claims arise from the same core practices of Defendants, as complained of herein.

**D. Adequacy.** Plaintiffs are adequate representatives of the proposed Class because Plaintiffs' interests do not conflict with the interests of the Class members they seek to represent. Plaintiffs have also retained competent counsel who are experienced in complex litigation, including class actions and who will prosecute the claims, rights and interests of all Class members vigorously. Plaintiffs have adequate financial resources to vigorously pursue this action, in particular, an agreement by their counsel to prosecute this action on a contingent basis and to advance the reasonable and necessary costs and expenses of litigation.

**E. Superiority.** A class action is superior to all other available methods of fairly and efficiently adjudicating this dispute. The injury sustained by each Class member, while meaningful on an individual basis, is not of such magnitude that it is economically feasible to prosecute individual actions against Defendants. Even if it were economically feasible, requiring hundreds (or more) of injured plaintiffs to file individual suits would impose a significant burden on the court system and almost certainly lead to inconsistent judgments. By contrast, class treatment will present far fewer management difficulties and provide the benefits of a single

adjudication, economies of scale, and comprehensive supervision by a single court.

F. Class certification is appropriate under O.C.G.A. § 9-11-23(b)(2). Defendants have acted or have refused to act on grounds generally applicable to the Class so that final injunctive relief or corresponding declaratory relief is appropriate as to the Class as a whole. Specifically, despite being contractually obligated to assess for diminution in value when adjusting claims under the Policies, Defendants systemically fail to make such assessment, and accordingly systemically fail to pay insured property owners for diminished value in their property, or else deny that such diminution in value exists. Therefore, it is appropriate for this Court to order declaratory relief and corresponding specific performance and/or injunctive relief, requiring Defendants to fulfill their contractual obligations and to perform a good faith assessment for diminished value based on an appropriate uniform methodology and either (1) pay any diminution in the fair market value of the insured property that exists, or (2) deny the existence of such diminished value.

G. This action also may be maintained as a class action under O.C.G.A. § 9-11-23(b)(3) because:

(A) Common questions of law and fact predominate over individual questions: The questions of law or fact common to class members predominate over any questions affecting only individual members. The common questions set forth above in paragraph 30(B) will affect all Class members alike and predominate over any individual issues that could be present.

(B) The interest of members of the Class in individually controlling the prosecution or defense of separate actions: There is no reason why individual Class members would have a significant interest in prosecuting separate actions. The potential amount of diminution

in value for any one Class member is simply not sufficient to justify individual prosecution seeking an assessment for diminished value. If they wish to do so, however, they can opt of the class. Additionally, prosecution of separate actions by individual members of the Class would, as a practical matter, impair or impede the ability of others who are not parties to the individual actions to protect their interests, and Defendants could be confronted with inconsistent standards of conduct.

(C) The nature and extent of any litigation concerning the controversy already begun by or against Class members: To Plaintiffs' knowledge, no other litigation is pending against Defendants concerning the claims set forth herein other than this litigation. Thus, certification is appropriate here on the grounds of judicial economy. Absent class certification, a significant number of additional individual or non-class group claims (mass actions) may be pursued causing a burden on judicial resources.

(D) The appropriateness of this forum for resolving claims of the Class: This Court is an appropriate forum to concentrate all litigation respecting Class member claims. Plaintiffs' property at issue in this litigation is located in this county, Plaintiffs have retained counsel in this county and moreover, Defendants transacted business in and insured Plaintiffs' home in this county. Accordingly, actions and omissions that give rise to this Complaint took place in whole or in part in this county and witnesses and evidence relevant to the claims at issue are located in this county. Further, all insured property at issue in this litigation is located exclusively within the State of Georgia. No other county in Georgia is more appropriate.

(E) The difficulties likely to be encountered in the management of a class action. The claims of all Class members are substantially identical. This case presents no unusual

management difficulties, and to the contrary, is ideally suited to class treatment. The claims involve matters of breach of contract and for declaratory and injunctive relief. Contract and breach of duties based on the same or virtually identical documents and law are ideally suited for class treatment. Additionally, the Class is too large for individual litigation, but not so large as to present an obstacle to manageability as a class action.

**COUNT I**  
**BREACH OF CONTRACT**

31. Plaintiffs reallege, as if fully set forth herein, the allegations set forth in all paragraphs above.

32. In consideration for Plaintiffs' and Class members' payment of premiums, Defendants issued Policies that directly insured Plaintiffs' and Class members' properties. These Policies formed a contract between Defendants on the one hand, and Plaintiffs and Class members on the other.

33. Defendants' contract for the Policies provides that Plaintiffs and Class members are treated consistent with the requirements of the laws and regulations of the appropriate State. Georgia law controls how parties with insured property in Georgia under Defendants' Policies (*i.e.*, Plaintiffs and Class members) must be treated by Defendants.

34. Plaintiffs and Class members performed all conditions required under the Policies.

35. When adjusting the covered claims of Plaintiffs and Class members, Defendants do not assess for diminution in value, nor do they pay for diminished value of the covered property or deny the existence of diminished value.

36. However, Defendants' Policies do not exclude diminution in value from covered losses under the Policies, meaning that Defendants are contractually obligated to affirmatively

assess for diminution in value when adjusting claims, and then either pay diminution in value on insured property of Plaintiffs and Class members for the assessed diminished value or else deny the existence of same.

37. Implied in every contract, including the contract of insurance wherein Defendants agreed to provide coverage to Plaintiffs and Class members, is the covenant of good faith and fair dealing. Defendants had the duty to treat Plaintiffs and Class members with the utmost good faith, and under Georgia law, Plaintiffs and Class members are entitled to expect Defendants to exercise good faith in carrying out their obligations under their Policies, including assessing for diminished value and either paying it or denying its existence.

38. By failing to account for diminution in value as an element of loss and/or by failing to pay Plaintiffs and Class members the diminution in value of their property, Defendants breached their contracts, including the covenant of good faith and fair dealing inherent therein.

39. Defendants' breach of their contractual obligations under the Policies has injured Plaintiffs and Class members.

**COUNT II**  
**DECLARATORY AND INJUNCTIVE RELIEF**

40. Plaintiffs reallege, as if fully set forth herein, the allegations set forth in paragraphs 1-30(F) and 31-39 above.

41. An actual case and controversy which may be adjudicated by this Court exists between Plaintiffs and proposed Class members (on the one hand), and Defendants on the other.

42. Plaintiffs' and Class members' properties are or were covered under Defendants' Policies. Defendants' contract for the Policies provides that Plaintiffs' and Class members are treated consistent with the requirements of the laws and regulations of the appropriate State. Georgia law controls how the parties with insured property in Georgia under Defendants' Policies

(*i.e.*, Plaintiff and Class members) must be treated by Defendants.

43. Defendants' Policies do not exclude diminution in value from covered losses under the Policies, meaning that Defendants are contractually obligated to affirmatively assess for diminution in value when adjusting claims, and then either pay Plaintiffs and Class members for the assessed diminished value or else deny the existence of same.

44. Yet Defendants, as a common policy and general business practice, fail to make such an assessment, and subsequently fail to pay for or deny diminution in value. Accordingly, Defendants have violated and continue to violate Georgia law.

45. As a result of these violations of Georgia law, Plaintiffs and Class members have been injured. Defendants have failed to fulfill their contractual obligations and thereby failed to perform a good faith assessment for diminished value based on an appropriate uniform methodology and either (1) pay any diminution in the fair market value of the insured property that exists, or (2) deny the existence of such diminished value.

46. If not permanently enjoined, Defendants will continue to illegally breach their Policies by failing to include assessment of diminution in value in their claims adjustment procedures. This course of conduct has injured Plaintiffs and Class members, and it will continue to cause irreparable injury, including, but not limited to injury to all those with insured property under Defendants' Policies and future policies, including for future covered loss Plaintiffs may have. Therefore, declaratory and injunctive relief is appropriate, as well as other legal and equitable relief.

**COUNT III**  
**ATTORNEYS' FEES AND OTHER EXPENSES OF LITIGATION**  
**PURSUANT TO O.C.G.A. § 13-6-11**

47. Plaintiffs reallege, as if fully set forth herein, the allegations set forth in all

paragraphs above.

48. Throughout the course of events described in this Complaint, Defendants have acted in bad faith, been stubbornly litigious, and/or have caused Plaintiffs and Class members undue trouble and expense.

49. As a result, Plaintiffs and Class members are entitled to recover attorneys' fees, costs, and the expenses of litigation pursuant to O.C.G.A. § 13-6-11.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, individually and on behalf of the Class, respectfully request the following against Defendants:

- A. summons and process issue to the Defendants as required by law;
- B. a jury trial on all issues so triable;
- C. that the Court certify the Class requested, appoint Plaintiffs as class representatives, and appoint Plaintiffs' counsel as Class counsel;
- D. that the Court declare Defendants breached the Policies of insurance covering Plaintiffs' and Class members' properties by failing to assess for, and pay for, diminished value;
- E. that the Court require Defendants to specifically perform their obligations under the applicable Policies covering Plaintiffs' and Class members' properties in Georgia in effect and/or enjoin any non-performance by Defendants under such Policies;
- F. an award of pre-judgment and post-judgment interest at the maximum rate permitted by law where assessments show diminution in value to covered properties;
- G. an award to Plaintiffs and the Class of reasonable attorneys' fees, costs and expenses pursuant to O.C.G.A. § 13-6-11 and as allowable by law; and

H. such other and further relief as this Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiffs demand a trial by jury on all issues so triable.

**COMPLEX LAW GROUP, LLC**

By: /s/ David M. Cohen  
David M. Cohen  
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Little Rock, AR 72201  
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## EXHIBIT A



# PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004  
610.617.7900 • Fax 610.617.7940 • PHLY.com

03/26/2013

IVY WALK AT VININGS  
500 Sugar Mill Rd Bldg B  
C/O HERITAGE PROPERTY MANAGEME  
Atlanta, GA 30350-2865

Re: PHPK996169

Dear Valued Customer:

Thank you very much for choosing Philadelphia Indemnity Insurance Company for your insurance needs. Our first class customer service, national presence and A++ (Superior) A.M. Best financial strength rating have made us the selection by over 150,000 policyholders nationwide. I realize you have a choice in insurance companies and truly appreciate your business.

I wish you much success this year and look forward to building a mutually beneficial business partnership which will prosper for years to come. Welcome to PHLY and please visit PHLY.com to learn more about our Company!

Sincerely,

A handwritten signature in black ink, appearing to read "Sean S. Sweeney". The signature is fluid and cursive, with "Sean" and "Sweeney" being more distinct than "S.". The "S" in "Sweeney" is particularly large and stylized.

Sean S. Sweeney  
President  
Philadelphia Insurance Companies

SSS/sm

# Enroll Today!

- Receive Invoices Electronically
- Pay Your Bills Online
- Set Up Recurring Payments
- Available 24/7
- Safe and Secure
- NO FEE!
- Environmentally Friendly

## Pay Your Bill Online

To pay your bills online you will need a User ID and Password to access our website. If you don't have a User ID please create one by visiting <https://www.PHLY.com/myphly/newuser.aspx>.

If you have a User ID, please login and click on "Online Bill Pay" and enter the necessary information to pay your bills. Philadelphia Insurance Companies accepts electronic checks (a debit from your checking or savings account) as a method of payment. Please allow 2 to 3 business days for your payment to post to your account. This service is offered free of charge. Please note that credit card payments cannot be made online.

## Recurring Payment

Customers that receive their bill directly (and not from their agent) can sign up for recurring payment via automatic withdrawals from a checking, savings, or money market account for direct bill policies.

If you do not already have an account on **PHLY.com** you will need to create one by visiting <https://www.PHLY.com/myphly/newuser.aspx>. Once logged in please refer to "Links for You" and click the "Recurring Payment Instructions" to learn how to enroll. You can also click the "Online Bill Pay" tab on the left hand side to enroll in Recurring Payment.

## How to Create an Account on PHLY.com

1. Go to <https://www.PHLY.com/myphly/newuser.aspx>
2. Select the applicable BUTTON (insured or producer).
3. Complete the information on the page:
  - You will CREATE your own USER NAME and PASSWORD.
  - The password must be at least 7 characters and contain one number, one lower case letter, and one capital letter.
4. Click CONTINUE when done.
5. On the next page, complete the PASSWORD RESET QUESTION. If you ever forget your password, we will ask you this security question and you will enter the answer you have selected.
6. Once you have received the page that states: "CONTINUE TO MY PHLY," then you have successfully created the account.



A Member of the Tokio Marine Group

Focus on the Things that Matter, We'll Handle the Risk!®



**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Tokio Marine Group

# Making Things Easier for You!

## PHLY CUSTOMER SERVICE

### Did you know...

- PHLY has a dedicated National Processing Center to efficiently and effectively process endorsements
- The Loss Assistance Hotline provides Management & Professional Liability policyholders with 2 FREE HOURS of legal consultation with knowledgeable attorneys on any matter that could potentially result in a claim under a PHLY policy
- You can review billing and payment history online  
**For example: Payment verifications go to My PHLY on PHLY.com**
- You can pull up and print your invoices and policy documents online
- You can update your profile online  
**For example: Billing address changes and contact information**
- We offer live help within seconds: No complicated phone systems
- 97.3% of our policyholders would refer us to prospective customers\*
- 48 hour turnaround time on small business quotes and policy issuance in less than 10 days
- We provide interest free installments for accounts that generate at least \$2,000 in premium

### Frequently Asked Questions

#### How can I get information about my insurance?

There are 5 different ways to contact Customer Service

- Customer Service 877.438.7459
- Customer Service Fax 866.847.4046
- Customer Service Email: [custserv@phlyins.com](mailto:custserv@phlyins.com)
- Customer Service Online chat
- PHLY.com – “Contact Us”

#### When can I contact Customer Service?

Customer Service is available Monday - Friday 8:30 am - 8:00 pm EST

#### What forms of payment does PHLY accept?

PHLY accepts 3 forms of payment:

- Checks sent to the lock box
- Check by phone payments through our IVR (877.438.7459 – Option 1), web site, or contact center representatives
- Credit card payments through our live contact center representatives (Visa, MasterCard and American Express)

## A Passion for Service!

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp. A Member of the Tokio Marine Group. Coverages described may not be insurable in all states and are subject to underwriting and certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guarantee funds and insureds are therefore not protected by such funds. © 2007-2011 Philadelphia Insurance Companies. All Rights Reserved.

\*All statistics contained herein were generated from internal company survey of active policy holders.



### Claims

- Average policyholder first party automobile losses settled in 10 days or less
- Same or next business day acknowledgements of newly reported and opened claims
- Claims representation nationally, with Commercial Liability Claims Examiner Niche expertise
- 24/7 Claims Service. Staff efficiencies with paperless and industry leading systems
- Staff of Subrogation and Recovery Examiners exclusively dedicated to recovery efforts for policyholder paid losses
- Experienced, consistent staff and department structure

### Loss Control

- Product specific web-based loss control solutions through PHLY.com
- Free online interactive Defensive Driver Training course and examination
- Regular e-flier communications on current Loss Control issues and Large Loss Lessons Learned
- Strategic partnership with best in class vendor for discounted background & motor vehicle record (MVR) checks

### Automatically included on most accounts

PHLY Bell endorsement - Includes \$50,000 limits each for Business Travel Accident Benefit, Donation Assurance, Emergency Real Estate Consulting Fee, Identity Theft Expense, Image Restoration and Counseling, Key Individual Replacement Expenses, Kidnap Expense, Terrorism Travel Reimbursement, Workplace Violence Counseling. \$25,000 limits for each Conference Cancellation, Fundraising Event Blackout, Political Unrest (\$5,000 per employee), Temporary Meeting Space Reimbursement and \$1,500 Travel Delay Reimbursement.

### Honors, Awards and Ratings

- Nationally recognized as a member of Ward's Top 50 Benchmark group of Property/Casualty Insurance companies for outstanding achievement in the areas of financial strength, claims performance and consistently favorable underwriting results
- Forbes Magazine has recognized Philadelphia Insurance Companies as one of the 400 Best Big Companies in America
- A++ (Superior) rated by A.M. Best Company
- A+ rated by Standard & Poor's for counterparty credit and financial strength
- Business Insurance's Best Places to Work in Insurance program identifies and recognizes Philadelphia Insurance Companies as a high-quality workplaces in the commercial insurance industry.



**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Tokio Marine Group

# Bell Endorsement & Crisis Management

## PHLY HAS INCREASED LIMITS...

**PHLY has increased limits on Bell Endorsement and created a Crisis Management Endorsement that will be attached to our policies.**

### Bell Endorsement

**\$50,000 Identity Theft Expense** – coverage which reimburses the expenses of any director or officer who becomes a victim of an incident of identity theft.

**\$50,000 Terrorism Travel Reimbursement** – which covers any director or officer for emergency travel expenses that he or she incurs in the event of a “certified act of terrorism”.

**\$50,000 Emergency Real Estate Consulting Fee** – coverage for realtor's fee or real estate consultant's fee necessitated by the Insured's need to relocate due to the “Unforeseeable destruction” of the Insured's principal location.

**\$25,000 Temporary Meeting Space Reimbursement** – coverage for rental of meeting space which is necessitated by the temporary unavailability of the Insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater.

**\$50,000 Workplace Violence Counseling** – in the event that a violent incident occurs at any of the Insured's premises.

**\$50,000 Kidnap Expense** – coverage for reasonable fees incurred as a result of the kidnapping of a Director or Officer or their spouse, “domestic partner,” parent or child.

**\$50,000 Key Individual Replacement Expenses** – coverage for the Chief Executive Officer or Executive Director who suffers an “injury” which results in the loss of life. No deductible applies to this coverage.

**\$50,000 Image Restoration and Counseling** – coverage for image restoration and counseling arising out of “Improper Acts.”

**\$50,000 Donation Assurance** – coverage for “Failed Donation Claims(”).

**\$50,000 Business Travel** – coverage for Business Travel Accidental Death Benefit to the Named Insured if a Director or Officer suffers an “injury” while traveling on a common carrier for business.

**\$25,000 Conference Cancellation** – coverage for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a “natural catastrophe” or a “communicable disease” outbreak that forces the cancellation of the conference.

**\$25,000 Fundraising Event Blackout** – coverage for expenses that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage.

**\$5,000 per employee: \$25,000 policy limit Political Unrest** – coverage to reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for “emergency evacuation expenses” that are incurred as a result of an incident of “political unrest.”

**\$1,500 Travel Delay Reimbursement** – coverage to reimburse any present director or officer of the named insured for any “non-reimbursable expenses” they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier.

### Crisis Management

**\$25,000 Crisis Management** – coverage for “crisis management emergency response expenses” incurred because of an “incident” giving rise to a “crisis.”

For a copy of the complete list of coverages, please refer to the full policy or contact your agent or insurance company. Philadelphia Insurance Companies is a member of the Tokio Marine Holdings, Inc. insurance group. Not all products or services are available in all states or territories. If the named insured resides outside the United States, Alaska or Hawaii, the policy may not provide full protection. Coverage is subject to underwriting and may be denied if the risk does not meet underwriting requirements. Certain coverages may not be available in all states. All rights reserved. © 2019 Tokio Marine Holdings, Inc. A Tokio Marine Company. All Rights Reserved.





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# LOSS CONTROL

## PHLY LOSS CONTROL SERVICES

Welcome to PHLY Loss Control Services, PHLY is familiar with the unique Loss Control programming needs of your organization and has achieved superior results in this area. We are committed to delivering quality and timely loss prevention services and risk control products to your organization. Customer satisfaction through the delivery of these professional products to achieve measurable risk improvement results is our goal. We know the fulfillment of our Loss Control commitment is not complete until we deliver upon our promises.

**OUR MISSION:** We welcome the opportunity to demonstrate how we can tailor a risk management program suitable to our customer's needs. We are committed to providing our customers with improved communications, quicker implementation of loss control servicing initiatives, and specific benchmarking goals that help us quantify the true value of our services.

**OUR MOTTO:** "Innovative Services Producing Optimum Results." This mantra reflects our commitment to utilize innovative products and solutions to help our customers achieve measurable results. Customer satisfaction through the delivery of these quality professional products is our goal. We know the fulfillment of our loss control commitment is not complete until we deliver upon our promises.

In order to gain full access to these resources and others, please take a moment to register on our website. If you already have an id to PHLY.com, please login to access loss control resources.

### Risk Management Resources

- [Abuse Prevention Systems/Ministry Safe](#)
- [Human Services - Abuse Prevention Training](#)
- [Home Health Aides - Abuse Prevention Training](#)
- [PHLY Loss Control Services e-training](#)
- [PureSafety \(online driver training course\)](#)
- [PureSafety \(online safety training & software for incident, injury and illness management\)](#)
- [Nonprofit Risk Management Center](#)
- [IntelliCorp Records, Inc.](#)
- [SafetyFirst \(fleet monitoring program\)](#)
- [WEMED Loss Assistance Hotline](#)
- [in2vate: Web-enabled EPL \(employment practices liability insurance\) Risk Management Services](#)
- [Safe-Wise: Youth Services Organizations & Aquatics](#)

### Proprietary Risk Management Services

- [PHLY Loss Control E-flyers](#)
- [Large Account Service Capabilities](#)
- [Loss Trend Analysis/Risk Management Information System](#)
- [Responding to Loss Control Recommendations](#)

### Outside the Box

- [ePIC Loss Control Services \(unbundled - for fee\) Risk Management Services Available](#)

### Contact

- For more information please contact: [Customer Service](#)

**800.873.4552**

**IMPORTANT NOTICE:** The information and suggestions presented by Philadelphia Indemnity Insurance Company in this brochure is for your consideration in your loss prevention efforts. They are not intended to be complete or definitive in identifying all hazards associated with your business, preventing workplace accidents, or complying with any safety related, or other laws or regulations. You are encouraged to alter them to the specific hazards of your business and to have your legal counsel review all of your plans and company policies.

Philadelphia Indemnity Companies is the marketing name for the insurance company subsidiary of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Your insurance coverage and the information contained in this document forms the coverage between you and your insurance company. If there is a discrepancy, or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guarantee funds and insureds are therefore not protected by such funds. © 2007-2012 Philadelphia Insurance Companies. All Rights Reserved.





**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pennsylvania 19004  
610.617.7900 Fax 610.617.7940  
PHLY.com

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## **Philadelphia Indemnity Insurance Company**

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# **Commercial Lines Policy**

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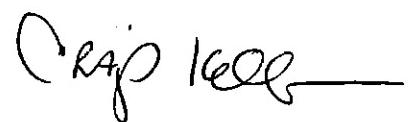
THIS POLICY CONSISTS OF:

- DECLARATIONS
  - COMMON POLICY CONDITIONS
  - ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
    - ONE OR MORE COVERAGE FORMS
    - APPLICABLE FORMS AND ENDORSEMENTS
-

**IN WITNESS WHEREOF**, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



President



Secretary



**PHILADELPHIA  
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pennsylvania 19004  
610.617.7900 Fax 610.617.7940  
PHLY.com

**Philadelphia Indemnity Insurance Company  
COMMON POLICY DECLARATIONS**

**Policy Number:** PHPK996169

**Named Insured and Mailing Address:**

IVY WALK AT VININGS  
500 Sugar Mill Rd Bldg B  
C/O HERITAGE PROPERTY MANAGEME  
Atlanta, GA 30350-2865

**Producer:** 20502

ALTHANS INSURANCE AGENCY INC.  
543 EAST WASHINGTON STREET  
CHAGRIN FALLS, OH 44022

**Policy Period From:** 03/31/2013 **To:** 03/31/2014

at 12:01 A.M. Standard Time at your mailing address shown above.

**Business Description:** Condominium Association

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

**PREMIUM**

Commercial Property Coverage Part

Commercial General Liability Coverage Part

Commercial Crime Coverage Part

Commercial Inland Marine Coverage Part

Commercial Auto Coverage Part

Businessowners

Workers Compensation

UltimateCover Property Coverage Part

**Total** \$ [REDACTED]

Total Includes Federal Terrorism Risk Insurance Act Coverage

[REDACTED]

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**FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE**  
**Refer To Forms Schedule**

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\*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (01/07)

Countersignature Date

*Sean J. Sweeney*

Authorized Representative

**Philadelphia Indemnity Insurance Company****Form Schedule – Policy****Policy Number:** PHPK996169**Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:**

<b>Form</b>	<b>Edition</b>	<b>Description</b>
Recurring Payment Flyer	1212	Recurring Payment Flyer
CSNotice-1	1011	Making Things Easier
BJP-190-1	1298	Commercial Lines Policy Jacket
CPD-PIIC	0107	Common Policy Declarations
Location Schedule	0100	Location Schedule
Named Insured Sched	0100	Named Insured Schedule
PP-0701	0701	Privacy Policy Notice
PI-BELL-1	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement
IL0262	0908	Georgia Changes - Cancellation and Nonrenewal
IL0985	0108	Disclosure Pursuant to Terrorism Risk Insurance Act

**Philadelphia Indemnity Insurance Company**

**Locations Schedule**

**Policy Number:** PHPK996169

Prems. No.	Bldg. No.	Address
0001	0001	81-84 Edgartown Ln Smyrna, GA 30080
0001	0002	Bridgehaven Dr Pool/Clubhouse Smyrna, GA 30080
0001	0003	77-80 Edgartown Ln Smyrna, GA 30080
0001	0004	195-201 Falmouth Ct Smyrna, GA 30080
0001	0005	191-194 Falmouth Ct Smyrna, GA 30080
0001	0006	185-190 Falmouth Ct Smyrna, GA 30080
0001	0007	94-97 Bridgehaven Dr Smyrna, GA 30080
0001	0008	85-93 Bridgehaven Dr Smyrna, GA 30080
0001	0009	104-108 Edgartown Ln Smyrna, GA 30080
0001	0010	109-113 Edgartown Ln Smyrna, GA 30080
0001	0011	114-120 Edgartown Ln Smyrna, GA 30080
0001	0012	121-122 Edgartown Ln Smyrna, GA 30080
0001	0013	123-127 Edgartown Ln Smyrna, GA 30080
0001	0014	99-103 Bridgehaven Dr Smyrna, GA 30080
0001	0015	165-170 Bridgehaven Dr Smyrna, GA 30080

## Philadelphia Indemnity Insurance Company

## Locations Schedule

**Policy Number:** PHPK996169

Prems. No.	Bldg. No.	Address
0001	0016	171-177 Bridgehaven Dr Smyrna, GA 30080
0001	0017	178-184 Bridgehaven Dr Smyrna, GA 30080
0001	0018	146-152 Bridgehaven Dr Smyrna, GA 30080
0001	0019	153-157 Bridgehaven Dr Smyrna, GA 30080
0001	0020	142-145 Monhegan Way Smyrna, GA 30080
0001	0021	137-141 Monhegan Way Smyrna, GA 30080
0001	0022	130-136 Monhegan Way Smyrna, GA 30080
0001	0023	128-129 Monhegan Way Smyrna, GA 30080
0001	0024	160-164 Monhegan Way Smyrna, GA 30080
0001	0025	158-159 Monhegan Way Smyrna, GA 30080
0002	0001	100 Edgartown Ln Smyrna, GA 30080
0002	0002	100 Edgartown Ln Smyrna, GA 30080
0002	0003	100 Edgartown Ln Smyrna, GA 30080
0002	0004	100 Edgartown Ln Smyrna, GA 30080

**Philadelphia Indemnity Insurance Company**

**Named Insured Schedule**

**Policy Number:** PHPK996169

Ivy Walk at Vinings Neighborhood  
Association, Inc.

Ivy Walk at Vinings Condominium  
Association, Inc.

COMMERCIAL GENERAL LIABILITY  
CG P 011 05 09

## **RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION ENDORSEMENT ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your renewal policy being issued by us:

### **Recording And Distribution Of Material Or Information In Violation Of Law Exclusion Endorsement CG 00 68 05 09**

This endorsement replaces the current Distribution Of Material In Violation Of Statutes Exclusion in your policy with a revised exclusion, newly titled Recording And Distribution Of Material Or Information In Violation Of Law Exclusion. The revised exclusion contains language that elaborates on the intent of the Distribution Of Material In Violation Of Statutes Exclusion to reflect that, in addition to the TCPA and CAN-SPAM Act of 2003, the exclusion will more explicitly exclude liability coverage for bodily injury, property damage or personal and advertising injury arising out of any action or omission that violates, or is alleged to violate, the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA) and any other similar federal, state or local statute, ordinance or regulation concerning disposal and dissemination of personal information.

**Philadelphia Indemnity Insurance Company****COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

Policy Number: PHPK996169

Agent # 20502

 See Supplemental Schedule**LIMITS OF INSURANCE**

\$ 3,000,000	General Aggregate Limit (Other Than Products – Completed Operations)
\$ 3,000,000	Products/Completed Operations Aggregate Limit (Any One Person Or Organization)
\$ 1,000,000	Personal and Advertising Injury Limit
\$ 1,000,000	Each Occurrence Limit
\$ 100,000	Rented To You Limit
\$ 5,000	Medical Expense Limit (Any One Person)

**FORM OF BUSINESS: CORPORATION**

Business Description: Condominium Association

Location of All Premises You Own, Rent or Occupy: **SEE SCHEDULE ATTACHED****AUDIT PERIOD, ANNUAL, UNLESS OTHERWISE STATED: N/A**

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops	Prem./ Ops.	Prod./ Comp. Ops.
SEE SCHEDULE ATTACHED						
<b>TOTAL PREMIUM FOR THIS COVERAGE PART:</b>				\$ [REDACTED]	\$ [REDACTED]	

**RETROACTIVE DATE (CG 00 02 ONLY)**

This insurance does not apply to "Bodily Injury", "Property Damage", or "Personal and Advertising Injury" which occurs before the retroactive date, if any, shown below.

Retroactive Date: \_\_\_\_\_

**FORM (S) AND ENDORSEMENT (S) APPLICABLE TO THIS COVERAGE PART: Refer To Forms Schedule**

Countersignature Date

Authorized Representative

**Philadelphia Indemnity Insurance Company****Form Schedule – General Liability****Policy Number:** PHPK996169**Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:**

<b>Form</b>	<b>Edition Description</b>
CGP011	0509 Recording and Distribution of Material or Information
Gen Liab Dec	1004 Commercial General Liability Coverage Part Declaration
Gen Liab Schedule	0100 General Liability Schedule
CG0001	1207 Commercial General Liability Coverage Form
CG0068	0509 Recording and Distribution of Material or Information
CG2002	1185 Additional Insured - Club Members
CG2147	1207 Employment-Related Practices Exclusion
CG2167	1204 Fungi or Bacteria Exclusion
CG2401	1204 Non-Binding Arbitration
CG2416	1207 Canoes Or Rowboats
CG2657	0400 Georgia Changes-Addl Insured-Condominium Associations
CG3186	1204 Georgia Changes - Cancellation and Nonrenewal
PI-CO-5	0403 Exclusion - Subsidence
PI-CO-6	1106 General Liability Deluxe Endt: Condominium Association
PI-GL-001	0894 Exclusion - Lead Liability
PI-GL-002	0894 Exclusion - Asbestos Liability

**Philadelphia Indemnity Insurance Company**  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**  
**SUPPLEMENTAL SCHEDULE**

Policy Number: PHPK996169

Agent # 20502

<b>Classifications</b>	<b>Code No.</b>	<b>Premium Basis</b>	<b>Rates</b>		<b>Advance Premiums</b>	
			<b>Prem./ Ops.</b>	<b>Prod./ Comp. Ops.</b>	<b>Prem./ Ops.</b>	<b>Prod./ Comp. Ops.</b>
GA PREM NO. 001 CONDO-RESIDENTIAL PROD/COMP OP SUBJ TO GEN AGG LIMIT	62003	UNIT	124	[REDACTED]	INCL	[REDACTED] INCL
GA PREM NO. 001 SWIMMING POOL-NOC PROD/COMP OP SUBJ TO GEN AGG LIMIT	48925	POOL	1	[REDACTED]	INCL	[REDACTED] INCL
GA PREM NO. 001 CLUB-CIVIC-BLDG OWN/LEASE-NFP PROD/COMP OP SUBJ TO GEN AGG LIMIT	41668	AREA	5,000	[REDACTED]	INCL	[REDACTED] INCL
GA PREM NO. 002 CONDO-RESIDENTIAL PROD/COMP OP SUBJ TO GEN AGG LIMIT	62003	UNIT	44	[REDACTED]	INCL	[REDACTED] INCL

# Philadelphia Indemnity Insurance Company

POLICY NUMBER: PHPK996169

COMMERCIAL AUTO  
CA DS 03 03 10

## BUSINESS AUTO DECLARATIONS

**ITEM ONE****Named Insured and Mailing Address:**

IVY WALK AT VININGS  
 500 Sugar Mill Rd Bldg B  
 C/O HERITAGE PROPERTY MANAGEME  
 Atlanta, GA 30350-2865

**Policy Period****From:** 03/31/2013**To:** 03/31/2014 At 12:01 AM Standard Time at your mailing address shown above**Previous Policy Number:** PHPK843132**Form Of Business:** CORPORATION

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

**Premium shown is payable at inception:** \$**Audit Period (If Applicable):**  Annually  Semiannually  Quarterly  Monthly**Endorsements Attached To This Policy****See Schedule Attached****Countersignature Of Authorized Representative****Name:****Title:****Signature:****Date:**

**ITEM TWO****Schedule Of Coverages And Covered Autos**

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos	Limit	Premium
Liability	08, 09	\$ 1,000,000 CSL	\$ [REDACTED]
Personal Injury Protection (Or Equivalent No-fault Coverage)		Separately Stated In Each Personal Injury Protection Endorsement Minus \$ Deductible	\$
Added Personal Injury Protection (Or Equivalent Added No-fault Coverage)		Separately Stated In Each Added Personal Injury Protection Endorsement	\$
Property Protection Insurance (Michigan Only)		Separately Stated In The Property Protection Insurance Endorsement Minus \$ Deductible For Each Accident	\$
Auto Medical Payments		\$	\$
Medical Expense And Income Loss Benefits (Virginia Only)		Separately Stated In The Medical Expense And Income Loss Benefits Endorsement	\$
Uninsured Motorists		\$	\$
Underinsured Motorists (When Not Included In Uninsured Motorists Coverage)		\$	\$

**ITEM TWO**

**Schedule Of Coverages And Covered Autos (Cont'd)**

\*This policy may be subject to final audit.



**ITEM THREE****Schedule Of Covered Autos You Own**

<b>Covered Auto Number:</b>					
<b>Town And State Where The Covered Auto Will Be Principally Garaged:</b> SEE SCHEDULE ATTACHED					
<b>Covered Auto Description</b>					
<b>Year:</b>	<b>Model:</b>	<b>Trade Name:</b>			
<b>Body Type:</b>		<b>Serial Number (S):</b>			
<b>Vehicle Identification Number (VIN):</b>					
<b>Purchased</b>					
<b>Original Cost New:</b>	\$				
<b>Actual Cost New Or Used:</b>	\$	<input type="checkbox"/> <b>New</b>		<input type="checkbox"/> <b>Used</b>	
<b>Classification</b>					
<b>Radius Of Operation</b>	<b>Business Use s=service r=retail c=commercial</b>	<b>Size GVW, GCW Or Vehicle Seating Capacity</b>	<b>Age Group</b>	<b>Secondary Rating Classification</b>	<b>Code</b>
	SEE SCHEDULE ATTACHED				
<b>Except For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below According To Their Interests In The Auto At The Time Of The Loss:</b> SEE SCHEDULE(S)					

**ITEM THREE****Schedule Of Covered Autos You Own (Cont'd)**

<b>Coverages – Premiums, Limits And Deductibles</b> (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding Item Two column applies instead.)		
<b>Coverages</b>	<b>Limit</b>	<b>Premium</b>
<b>Liability</b>	\$ <b>SEE SCHEDULE ATTACHED</b>	\$
<b>Personal Injury Protection</b>	<b>Stated In Each Personal Injury Protection Endorsement Minus</b> \$ <b>Deductible</b>	\$
<b>Added Personal Injury Protection</b>	<b>Stated In Each Added Personal Injury Protection Endorsement</b>	\$
<b>Property Protection Insurance (Michigan Only)</b>	<b>Stated In The Property Protection Insurance Endorsement Minus</b> \$ <b>Deductible</b>	\$
<b>Auto Medical Payments</b>	\$	\$
<b>Medical Expense And Income Loss Benefits (Virginia Only)</b>	<b>Stated In The Medical Expense And Income Loss Benefits Endorsement For Each Person</b>	\$
<b>Comprehensive</b>	<b>Stated In Item Two Minus</b> \$ <b>Deductible</b>	\$
<b>Specified Causes Of Loss</b>	<b>Stated In Item Two Minus</b> \$ 25 <b>Deductible</b>	\$
<b>Collision</b>	<b>Stated In Item Two Minus</b> \$ <b>Deductible</b>	\$
<b>Towing And Labor</b>	\$ <b>Per Disablement</b>	\$

	<b>Total Premiums</b>	<b>SEE SCHEDULE ATTACHED</b>
<b>Liability</b>	\$	
<b>Personal Injury Protection</b>	\$	
<b>Added Personal Injury Protection</b>	\$	
<b>Property Protection Insurance (Michigan Only)</b>	\$	
<b>Auto Medical Payments</b>	\$	
<b>Medical Expense And Income Loss Benefits (Virginia Only)</b>	\$	
<b>Comprehensive</b>	\$	
<b>Specified Causes Of Loss</b>	\$	
<b>Collision</b>	\$	
<b>Towing And Labor</b>	\$	

**ITEM FOUR****Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums**

<b>Liability Coverage – Cost Of Hire Rating Basis For Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>		
<b>Liability Coverage</b>	<b>Estimated Annual Cost Of Hire For All States</b>	<b>Premium</b>
<b>Primary Coverage</b>	\$ SEE SCHEDULE, IF APPLICABLE	\$
<b>Excess Coverage</b>	\$ SEE SCHEDULE, IF APPLICABLE	\$
<b>Total Premium</b>		\$

For "autos" used in your motor carrier operations, cost of hire means:

- (a) The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,
- (b) The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
- (c) The total dollar amount of any other costs (*i.e.*, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.

<b>Liability Coverage – Cost of Hire Rating Basis For Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)</b>			
<b>Liability Coverage</b>	<b>State</b>	<b>Estimated Annual Cost Of Hire For Each State</b>	<b>Premium</b>
<b>Primary Coverage</b>		\$ SEE SCHEDULE, IF APPLICABLE	\$
<b>Excess Coverage</b>		\$ SEE SCHEDULE, IF APPLICABLE	\$
<b>Total Premium</b>		\$	

For "autos" NOT used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**ITEM FOUR****Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)**

<b>Physical Damage Coverages- Cost of Hire Rating Basis For All Autos (Other Than Mobile Or Farm Equipment)</b>				
<b>Coverage</b>	<b>State</b>	<b>Limit Of Insurance</b>	<b>Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)</b>	<b>Premium</b>
Comprehensive		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Deductible  For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning	\$ See Schedule, If Applicable	\$
Specified Causes Of Loss		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Deductible  For Each Covered Auto For Loss Caused By Mischief Or Vandalism	\$	\$
Collision		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Deductible  For Each Covered Auto	\$	\$
<b>Total Premium</b>				<b>\$</b>
<p>For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.</p>				

**ITEM FOUR****Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)**

<b>Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Other Than Physical Damage Coverages</b>					
<b>Coverage</b>	<b>State</b>	<b>Estimated Annual Cost Of Hire For Each State</b>		<b>Premium</b>	
		<b>Mobile Equipment</b>	<b>Farm Equipment</b>	<b>Mobile Equipment</b>	<b>Farm Equipment</b>
<b>Liability – Primary Coverage</b>		\$	\$	\$	\$
<b>Liability – Excess Coverage</b>		\$	\$	\$	\$
<b>Personal Injury Protection</b>		\$	\$	\$	\$
<b>Medical Expense Benefits (Virginia Only)</b>		\$	\$	\$	\$
<b>Income Loss Benefits (Virginia Only)</b>		\$	\$	\$	\$
<b>Auto Medical Payments</b>		\$	\$	\$	\$
<b>Total Premiums</b>			\$ <b>See Schedule, If Applicable</b>		
Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.					

**ITEM FOUR****Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)**

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Physical Damage Coverages					
Coverage	State	Limit Of Insurance	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)		Premium
			Mobile Equipment	Farm Equipment	
Comprehensive		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning	\$ See Schedule, If Applicable	\$ See Schedule, If Applicable	\$ See Schedule, If Applicable
Specified Causes Of Loss		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto For Loss Caused By Mischief Or Vandalism	\$	\$	\$
Collision		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Ded. For Each Covered Auto	\$	\$	\$
			Total Premiums	\$ See Schedule, If Applicable	
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.					

**ITEM FOUR****Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)**

Rental Period Rating Basis For Mobile Or Farm Equipment					
Coverage	Town and State Where The Job Site Is Located	Estimated Number Of Days Equipment Will Be Rented		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Liability- Primary Coverage				\$	\$
Liability – Excess Coverage				\$	\$
Personal Injury Protection				\$	\$
Medical Expense Benefits (Virginia Only)				\$	\$
Income Loss Benefits (Virginia Only)				\$	\$
Auto Medical Payments				\$	\$
<b>Total Premiums</b>				<b>\$</b>	<b>\$</b>

**ITEM FIVE****Schedule For Non-ownership Liability**

Named Insured's Business	Rating Basis	Number	Premium
Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	25	\$ [REDACTED]
	Number Of Partners (Active and Inactive)		\$ [REDACTED]
Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		\$ [REDACTED]
	Number Of Partners (Active and Inactive)		\$ [REDACTED]
Social Service Agencies	Number Of Employees		\$ [REDACTED]
	Number Of Volunteers Who Regularly Use Autos To Transport Clients		\$ [REDACTED]
	Number Of Partners (Active and Inactive)		\$ [REDACTED]
<b>Total Premium</b>		\$ [REDACTED]	[REDACTED]

**ITEM SIX****Schedule For Gross Receipts Or Mileage Basis**

<b>Address Of Business Headquarters Location:</b>		
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos	<input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage (Per Mile)
<b>Estimated Yearly (Gross Receipts Or Mileage):</b>		
<b>Premiums</b>		
Liability	\$ [REDACTED]	
Personal Injury Protection	\$ [REDACTED]	
Added Personal Injury Protection	\$ [REDACTED]	
Property Protection Insurance (Michigan Only)	\$ [REDACTED]	
Auto Medical Payments	\$ [REDACTED]	
Medical Expense And Income Loss Benefits (Virginia Only)	\$ [REDACTED]	
Comprehensive	\$ [REDACTED]	
Specified Causes Of Loss	\$ [REDACTED]	
Collision	\$ [REDACTED]	
Towing And Labor	\$ [REDACTED]	

**ITEM SIX****Schedule For Gross Receipts Or Mileage Basis (Cont'd)**

<b>Address Of Business Headquarters Location:</b>		
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos	<input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage (Per Mile)
<b>Estimated Yearly (Gross Receipts Or Mileage):</b>		
<b>Premiums</b>		
<b>Liability</b>	\$	
<b>Personal Injury Protection</b>	\$	
<b>Added Personal Injury Protection</b>	\$	
<b>Property Protection Insurance (Michigan Only)</b>	\$	
<b>Auto Medical Payments</b>	\$	
<b>Medical Expense And Income Loss Benefits (Virginia Only)</b>	\$	
<b>Comprehensive</b>	\$	
<b>Specified Causes Of Loss</b>	\$	
<b>Collision</b>	\$	
<b>Towing And Labor</b>	\$	

<b>Address Of Business Headquarters Location:</b>		
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos	<input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100)	<input type="checkbox"/> Mileage (Per Mile)
<b>Estimated Yearly (Gross Receipts Or Mileage):</b>		
<b>Premiums</b>		
<b>Liability</b>	\$	
<b>Personal Injury Protection</b>	\$	
<b>Added Personal Injury Protection</b>	\$	
<b>Property Protection Insurance (Michigan Only)</b>	\$	
<b>Auto Medical Payments</b>	\$	
<b>Medical Expense And Income Loss Benefits (Virginia Only)</b>	\$	
<b>Comprehensive</b>	\$	
<b>Specified Causes Of Loss</b>	\$	
<b>Collision</b>	\$	
<b>Towing And Labor</b>	\$	



When used as a premium basis:

**FOR PUBLIC AUTOS**

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

- A. Amounts paid to air, sea or land carriers operating under their own permits.
- B. Advertising revenue.
- C. Taxes collected as a separate item and paid directly to the government.
- D. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

**FOR RENTAL OR LEASING CONCERNS**

Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.



**Philadelphia Indemnity Insurance Company**

**Form Schedule – Commercial Auto**

**Policy Number:** PHPK996169

**Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:**

<b>Form</b>	<b>Edition</b>	<b>Description</b>
CADS03	0310	Business Auto Declarations
Hired or Borrowed Auto Sche	0706	Schedule of Hired or Borrowed Covered Auto
CA0001	0310	Business Auto Coverage Form
CA0109	1004	Georgia Changes

Policy Number: PHPK996169

**Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums**

<b><u>Coverage</u></b>	<b><u>State</u></b>	<b><u>Cost of Hire</u></b>	<b><u>Deductible</u></b>	<b><u>Rate</u></b>	<b><u>Premium</u></b>
Liability Coverage	GA	5,000	[REDACTED]	\$ [REDACTED]	[REDACTED]
				Total Premium - \$	[REDACTED]

## ULTIMATECOVER PROPERTY COVERAGE PART DECLARATIONS

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**Policy Number** PHPK996169**Effective Date:** 03/31/2013**Expiration Date:** 03/31/2014

12:01 a.m., Standard Time

Extension of Declarations is attached

**Business Description**

Condominium Association

**Description of Premises**

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0001	81-84 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0002	Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0003	77-80 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0004	195-201 Falmouth Ct Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0005	191-194 Falmouth Ct Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0006	185-190 Falmouth Ct Smyrna, GA 30080 CONDOMINIUMS	FRAME

**Limits of Insurance**

Insurance applies only for coverage for which a Limit of Insurance is shown.

**Property at Specified Premises**

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0001			BKT #1
0001	0002	BKT #1		BKT #1
0001	0003			BKT #1
0001	0004			BKT #1
0001	0005			BKT #1
0001	0006			BKT #1

PI-ULTD-002 11.98

**Personal Property at Location not Specifically Identified: \$100,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.**

**Personal Property in Transit:** \$50,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

## **Applications of Limits**



### Deductibles

**Building \$** 2,500 **Business Personal Property \$** 2,500 **Transit \$**

### **Coinsurance**

- 80%       90%       100%       Agreed Value       Guaranteed RC

## Mortgage Holders

**Prem. No.      Bldg. No.      Mortgage Holder Name and Address**

**SEE SCHEDULE ATTACHED**

#### **Forms and Endorsement**

**Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:**

See Schedule of Forms and Endorsements attached.

## Premium

Premium for this Coverage Part \$

## **PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS**

**Policy Number** PHPK996169

### **Description of Premises**

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0007	94-97 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0008	85-93 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0009	104-108 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0010	109-113 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0011	114-120 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0012	121-122 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME

### **Limits of Insurance**

Insurance applies only for coverages for which a Limit of Insurance is shown.

### **Property at Specified Premises**

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0007			BKT #1
0001	0008			BKT #1
0001	0009			BKT #1
0001	0010			BKT #1
0001	0011			BKT #1
0001	0012			BKT #1

### **Mortgage Holders**

**Prem. No.**    **Bldg. No.**    **Mortgage Holder Name and Address**

### **SEE SCHEDULE ATTACHED**

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

**PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS****Policy Number** PHPK996169**Description of Premises**

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0013	123-127 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0014	99-103 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0015	165-170 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0016	171-177 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0017	178-184 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0018	146-152 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME

**Limits of Insurance**

Insurance applies only for coverages for which a Limit of Insurance is shown.

**Property at Specified Premises**

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0013			BKT #1
0001	0014			BKT #1
0001	0015			BKT #1
0001	0016			BKT #1
0001	0017			BKT #1
0001	0018			BKT #1

**Mortgage Holders****Prem. No.**    **Bldg. No.**    **Mortgage Holder Name and Address****SEE SCHEDULE ATTACHED**

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

**PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS****Policy Number** PHPK996169**Description of Premises**

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0019	153-157 Bridgehaven Dr Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0020	142-145 Monhegan Way Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0021	137-141 Monhegan Way Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0022	130-136 Monhegan Way Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0023	128-129 Monhegan Way Smyrna, GA 30080 CONDOMINIUMS	FRAME
0001	0024	160-164 Monhegan Way Smyrna, GA 30080 CONDOMINIUMS	FRAME

**Limits of Insurance**

Insurance applies only for coverages for which a Limit of Insurance is shown.

**Property at Specified Premises**

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0019			BKT #1
0001	0020			BKT #1
0001	0021			BKT #1
0001	0022			BKT #1
0001	0023			BKT #1
0001	0024			BKT #1

**Mortgage Holders****Prem. No.**    **Bldg. No.**    **Mortgage Holder Name and Address****SEE SCHEDULE ATTACHED**

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

**PROPERTY COVERAGE PART EXTENSION OF DECLARATIONS****Policy Number** PHPK996169**Description of Premises**

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0025	158-159 Monhegan Way Smyrna, GA 30080 CONDOMINIUMS	FRAME
0002	0001	100 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0002	0002	100 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0002	0003	100 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME
0002	0004	100 Edgartown Ln Smyrna, GA 30080 CONDOMINIUMS	FRAME

**Limits of Insurance**

Insurance applies only for coverages for which a Limit of Insurance is shown.

**Property at Specified Premises**

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0025			BKT #1
0002	0001			BKT #1
0002	0002			BKT #1
0002	0003			BKT #1
0002	0004			BKT #1

**Mortgage Holders****Prem. No.**    **Bldg. No.**    **Mortgage Holder Name and Address****SEE SCHEDULE ATTACHED**

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

## ADDITIONAL COVERAGE SUMMARY DECLARATIONS

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**Policy Number** PHPK996169

As per the Property Coverage Part Declarations this Coverage Part provides the following Additional Coverages and Coverage Extensions, subject to the Limits of Insurance shown below.

<b>Limits of Insurance</b>		
Brands and Labels	Included in Policy Limits	
Claim Expenses	\$ 10,000	
Contract Penalty Clause	\$ 25,000	
Computer Property	Included in Personal Property Limits	
Excavation and Landscaping	\$ 25,000	
Fine Arts	\$ 25,000	
Fines for False Alarms	\$ 5,000	
Fire Department Service Charge	\$ 50,000	
Fire, Sprinkler or Burglar Alarm Upgrade	\$ 50,000	
Fish in Aquariums	\$ 1,000	
Glass	Included in Policy Limits	
Guard Dogs	\$ 1,000	
Lost Key Replacement	\$ 2,500	
Newly Acquired Property	\$1,000,000 Blanket Limit Real and Personal	
Property		
New Construction	\$ 500,000	
Ordinance or Law – Undamaged Portion	Included in Building Limit	
Ordinance or Law – Demolition	\$ 250,000	
Ordinance or Law – Increased Cost of Construction	\$ 250,000	
Personal Effects – Portable Electronic Equipment –		
Away from Premises	\$ 1,000	
Personal Effects - Premises	\$ 25,000	
Personal Effects – Spouses	\$ 500	
Personal Effects – Worldwide	\$ 1,000	
Pollutant Cleanup and Removal	\$ 25,000	
Precious Metals	\$ 2,500	
Signs	Included in Personal Property Limits	
Theft Damage to Building	Included in Personal Property Limits	
Utility Service	\$ 10,000	
Voluntary Parting	\$ 10,000	

For the Additional Coverages and Coverage Extensions shown below, if a Superseding Limit of Insurance is shown, that Superseding Limit is the applicable Limit of Insurance.

	<b>Limits of Insurance</b>	<b>Superseding Limits</b>
Accounts Receivable	\$ 250,000	\$
Arson Reward	\$ 25,000	\$
Computer Virus Extraction Expense	\$ 2,500	\$
Consequential Damage	\$ 25,000	\$
Debris Removal	\$ 250,000	\$
Personal Property in Transit	\$ 50,000	\$
Personal Property at Locations not Specifically Identified	\$ 100,000	\$
Valuable Papers and Records – Cost of Research	\$ 250,000	\$

## Philadelphia Indemnity Insurance Company

### Form Schedule – UltimateCover

**Policy Number:** PHPK996169

**Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:**

Form	Edition Description
PI-ULTD-002	1198 Property Coverage Part Declarations
PI-ULTD-003	1198 Property Coverage Part Extension of Declarations
PI-ULTD-005	1198 Additional Coverage Summary Declarations
PI-ULTD-006	1198 UltimateCover Program Blanket Limits
CP0090	0788 Commercial Property Conditions
CP0131	1200 Georgia Changes
PI-ULT-007	1198 Property Coverage Form
PI-ULT-008	1198 Causes of Loss Form
PI-ULT-010	1198 Business Income with Extra Expense Coverage Form
ULT10COV	1198 Business Income with Extra Expense Coinsurance Sched
ULT10OPT	1198 Business Income with Extra Expense Optional Cov Sched
PI-ULT-023	0701 Boiler and Machinery Endorsement
PI-ULT-030	0605 Condominium Association Coverage Endorsement
PI-ULT-072 GA	1010 Limitations on Fungus, Wet Rot, Dry Rot and Bacteria
PI-ULT-83	0401 Loss of Income due to Workplace Violence
PI-ULT-088	0204 Changes - Electronic Data
PI-ULT-093	1106 Elite Property Enhancement: Condominium Association
PI-ULT-094	1106 Guaranteed Replacement Cost
PI-ULT-NBC-1	0108 Excl of Certified Acts of Terrorism Involving Nuclear
PI-MANU-1	0100 Building Glass Coverage
PI-MANU-1	0100 Increased Ordinance or Law Limits

**UltimateCover Program  
Blanket Limits**

Policy Number: PHPK996169

Agent # 20502

**ULTIMATECOVER PROPERTY – BLANKET STATEMENT OF VALUES**

Blanket No.	Coverage	Limit of Insurance	Co- Insurance
1	Building and Bus Per Prop	\$ 58,874,000	100%

These declarations are part of the policy declarations containing the name of the insured and the policy period.

## Philadelphia Indemnity Insurance Company

### PRIVACY POLICY NOTICE

#### Philadelphia Indemnity Insurance Company

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The Philadelphia Indemnity Insurance Company values your privacy and we are committed to protecting personal information that we collect during the course of our business relationship.

The collection, use and disclosure of certain nonpublic personal information are regulated by law.

This notice is for your information only and requires no action on your part. It will inform you about the types of information we collect and how it may be disclosed. This does not reflect a change in the way we do business or handle your information.

#### Information We Collect:

We collect personal information about you from the following sources:

- Applications or other forms such as claims forms or underwriting questionnaires completed by you;
- Information about your transactions with us, our affiliates or others; and
- Depending on the type of transaction you are conducting with us, information may be collected from consumer reporting agencies, health care providers, employers and other third parties.

#### Information We Disclose:

We will only disclose the information described above, as permitted by law, to our affiliates and non-affiliated third parties when necessary to conduct our normal business activities.

For example, we may make disclosures to the following types of third parties:

- Your agent or broker;
- Parties who perform a business, professional or insurance function for our company, including our reinsurance companies;
- Independent claims adjusters, investigators, other insurers, medical care institutions and attorneys who need the information to investigate, defend or settle a claim involving you;
- Insurance regulatory agencies in connection with the regulation of our business; and
- Lienholders, mortgagees, lessors or other persons shown on our records as having legal or beneficial interest in your policy.

We do not sell your information to others for marketing purposes.

We do not disclose the personal information of persons who have ceased to be our customers.

#### Protection of Information:

The Philadelphia Indemnity Insurance Company maintains physical, electronic and procedural safeguards that comply with state and federal regulations to protect the confidentiality of your personal information. We also limit employee access to personally identifiable information to those with a business reason for knowing such information.

#### How to Contact Us:

Feel free to call or write to us for additional information.

Philadelphia Indemnity Insurance Company  
One Bala Plaza, Suite 100  
Bala Cynwyd, Pennsylvania 19004  
(877)-438-7459

PI-BELL-1 (11/09)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****BELL ENDORSEMENT**

**PHILADELPHIA  
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pennsylvania 19004  
610.617.7900 Fax 610.617.7940  
PHLY.com

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

**I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS**

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

<b>COVERAGE</b>	<b>LIMITS OF INSURANCE</b>
Business Travel Accident Benefit	\$50,000
Conference Cancellation	\$25,000
Donation Assurance	\$50,000
Emergency Real Estate Consulting Fee	\$50,000
Fundraising Event Blackout	\$25,000
Identity Theft Expense	\$50,000
Image Restoration and Counseling	\$50,000
Key Individual Replacement Expenses	\$50,000
Kidnap Expense	\$50,000
Political Unrest	\$5,000 per employee: \$25,000 policy limit
Temporary Meeting Space Reimbursement	\$25,000
Terrorism Travel Reimbursement	\$50,000
Travel Delay Reimbursement	\$1,500
Workplace Violence Counseling	\$50,000

**II. CONDITIONS****A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

**B. Limits of Liability or Limits of Insurance**

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in **Section I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

**C. Claim Expenses**

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

**III. ADDITIONAL COVERAGES****A. Business Travel Accident Benefit**

We will pay a Business Travel Accident Benefit to the insured if a director or officer suffers injury or death while traveling on a common carrier for your business during the policy period.

For the purpose of Business Travel Accident Benefit coverage, injury means:

1. Physical damage to the body caused by violence, fracture, or an accident that results in loss of life not later than one hundred eighty (180) days after the policy expiration, the date of cancellation or the date of non-renewal;
2. Accidental loss of limbs or multiple fingers;
3. Total loss of sight, speech or hearing.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

The Business Travel Accident Benefit shall not be payable if the cause of the injury was:

1. An intentional act by the insured;
2. An act of suicide or attempted suicide;
3. An act of war; or
4. A disease process.

**B. Conference Cancellation**

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

**C. Donation Assurance**

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
  - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
  - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

**D. Emergency Real Estate Consulting Fee**

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this

PI-BELL-1 (11/09)

coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **E. Fundraising Event Blackout**

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **F. Identity Theft Expense**

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **G. Image Restoration and Counseling**

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and
3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **H. Key Individual Replacement Expenses**

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of \$50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

#### **I. Kidnap Expense**

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

PI-BELL-1 (11/09)

1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
  - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
  - b. Discovery of their death;
  - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
  - d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is \$50,000 each policy period for all insureds combined. No deductible applies to this coverage.

#### **J. Political Unrest Coverage**

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest." This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel. The limit of insurance for this coverage is \$5,000 per covered person, subject to a maximum of \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **K. Temporary Meeting Space Reimbursement**

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **L. Terrorism Travel Reimbursement**

We will reimburse any present director or officer of the named insured in the event of a "certified act of terrorism" during the policy period which necessitates that he/she incurs "emergency travel expenses." The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

**M. Travel Delay Reimbursement**

We will reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is \$1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

**N. Workplace Violence Counseling**

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a "workplace violence" incident at any of the insured's premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the "workplace violence";
2. The spouse, "domestic partner," parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and
3. Any other person or persons who directly witnessed the "workplace violence" incident.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

**IV. DEFINITIONS**

For the purpose of this endorsement, the following definitions apply:

- A. "Certified act of terrorism" means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B. "Communicable disease" means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire's Disease.
- C. "Domestic partner" means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D. "Emergency evacuation expenses" mean:
  1. Additional lodging expenses;
  2. Additional transportation costs;
  3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and
  4. Translation services, message transmittals and other communication expenses.provided that these expenses are not otherwise reimbursable.
- E. "Emergency travel expenses" mean:

PI-BELL-1 (11/09)

1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and
  2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";
- provided that these expenses are not otherwise reimbursable.
- F. "Failed donation claim"** means written notice to the insured during the policy period of:
1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
  2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.
- G. "Fundraising expenses"** mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.
- H. "Identity theft"** means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or "domestic partner" thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
- I. "Identity theft expenses"** mean:
1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
  2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
  3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- J. "Improper acts"** means any actual or alleged act of:
1. Sexual abuse;
  2. Sexual intimacy;
  3. Sexual molestation; or
  4. Sexual assault;
- committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.
- K. "Injury"** whenever used in this endorsement, other than in **Section III. A. Business Travel**,

PI-BELL-1 (11/09)

means any physical damage to the body caused by violence, fracture or an accident.

L. "Key individual replacement expenses" mean the following necessary expenses:

1. Costs of advertising the employment position opening;
2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:

1. Meals and lodging;
2. Alternative transportation;
3. Clothing and necessary toiletries; and
4. Emergency prescription and non-prescription drug expenses.

O. "Political unrest" means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

P. "Principal location" means the headquarters, home office or main location where most business is substantially conducted.

Q. "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.

R. "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT**

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

**I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS**

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	\$25,000
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**II. CONDITIONS****A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

**B. Limits of Liability or Limits of Insurance**

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Liability or Limit of Insurance.

**C. Claim Expenses**

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

**III. ADDITIONAL COVERAGES**

- A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section II. **CONDITIONS, B. Limits of Liability or Limits of Insurance.** No other obligation or liability to pay sums or perform acts or services is covered.
- B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

PI-CME-1 (10/09)

**IV. DEFINITIONS**

- A. "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.
- B. "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C. "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D. "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.
- E. "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

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## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### **A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **B. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### **C. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### **D. Inspections And Surveys**

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### **E. Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### **F. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



IL 00 21 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
    - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereof.
2. As used in this endorsement:
 

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".



"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 02 62 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraph A.1. of the Cancellation Common Policy Condition** is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation stating a future date on which the policy is to be cancelled, subject to the following:
  - a. If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date we receive notice from the first Named Insured or the date specified in the notice, whichever is later. However, upon receiving a written notice of cancellation from the first Named Insured, we may waive the requirement that the notice state the future date of cancellation, by confirming the date and time of cancellation in writing to the first Named Insured.
  - b. If by statute, regulation or contract this policy may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days notice to the first Named Insured and the third party as soon as practicable after receiving the first Named Insured's request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

- (1) 10 days from the date of mailing or delivering our notice, or
- (2) The effective date of cancellation stated in the first Named Insured's notice to us.

**B. Paragraph A.5. of the Cancellation Common Policy Condition** is replaced by the following:

**5. Premium Refund**

- a. If this policy is cancelled, we will send the first Named Insured any premium refund due.
- b. If we cancel, the refund will be pro rata, except as provided in c. below.
- c. If the cancellation results from failure of the first Named Insured to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro rata. Calculation of the return premium at less than pro rata represents a penalty charged on unearned premium.
- d. If the first Named Insured cancels, the refund may be less than pro rata.
- e. The cancellation will be effective even if we have not made or offered a refund.



C. The following is added to the **Cancellation** Common Policy condition and supersedes any other provisions to the contrary:

If we decide to:

1. Cancel or nonrenew this policy; or
2. Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. Change any policy provision which would limit or restrict coverage;

Then:

We will mail or deliver notice of our action (including the dollar amount of any increase in renewal premium of more than 15%) to the first Named Insured and lienholder, if any, at the last mailing address known to us. Except as applicable as described in Paragraph D. below, we will mail or deliver notice at least:

1. 10 days before the effective date of cancellation if this policy has been in effect less than 60 days or if we cancel for nonpayment of premium; or
  2. 45 days before the effective date of cancellation if this policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium; or
  3. 45 days before the expiration date of this policy if we decide to nonrenew, increase the premium or limit or restrict coverage.
- D. The following provisions apply to insurance covering residential real property only provided under the:

Capital Assets Program (Output Policy) Coverage Part;

Commercial Property Coverage Part;

Farm Coverage Part;

If the named insured is a natural person.

With respect to such insurance, the following is added to the **Cancellation** Common Policy Condition and supersedes any provisions to the contrary:

1. When this policy has been in effect for 60 days or less and is not a renewal with us, we may cancel for any reason by notifying the first Named Insured at least 10 days before the date cancellation takes effect.
2. When this policy has been in effect for more than 60 days, or at any time if it is a renewal with us, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium, whether payable to us or to our agent;
  - b. Upon discovery of fraud, concealment of a material fact, or material misrepresentation made by or with the knowledge of any person insured under this policy in obtaining this policy, continuing this policy or presenting a claim under this policy;
  - c. Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
  - d. Upon the violation of any of the material terms or conditions of this policy by any person insured under this policy.

We may cancel by providing notice to the first Named Insured at least:

- 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- 45 days before the effective date of cancellation if we cancel for any of the reasons listed in b., c. or d. above.

POLICY NUMBER: PHPK996169

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**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### SCHEDULE

<b>Terrorism Premium (Certified Acts) \$ 1,259.00</b>
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This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Additional information, if any, concerning the terrorism premium:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### **A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### **C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



COMMERCIAL GENERAL LIABILITY  
CG 00 01 12 07

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### **SECTION I – COVERAGES**

#### **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

##### **1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
  - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.



e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".



**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".



(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;



- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

#### **m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

#### **n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

#### **p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

#### **q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.



Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or



- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

#### **k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

#### **l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

#### **m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

#### **n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

#### **o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

### **COVERAGE C MEDICAL PAYMENTS**

#### **1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.



## **2. Exclusions**

We will not pay expenses for "bodily injury":

### **a. Any Insured**

To any insured, except "volunteer workers".

### **b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

### **c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

### **d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### **e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### **f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

### **g. Coverage A Exclusions**

Excluded under Coverage A.

## **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and



- (b)** Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

## 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
  - (1) "Bodily injury" or "personal and advertising injury":
    - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
    - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
    - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
    - (d) Arising out of his or her providing or failing to provide professional health care services.
  - (2) "Property damage" to property:
    - (a) Owned, occupied or used by,
    - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).



- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### **SECTION III – LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.

- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
- 4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
- 5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
- 6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

1. **Bankruptcy**  
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**
  - a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
    - (1) How, when and where the "occurrence" or offense took place;
    - (2) The names and addresses of any injured persons and witnesses; and



- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### **a. Primary Insurance**

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

#### **b. Excess Insurance**

- (1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

- (2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.



- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
  - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### **c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### **5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and

- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".



3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
  - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
  - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.



**10.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11.** "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".



**15.**"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.**"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.**"Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.**"Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.**"Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.**"Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.**"Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and



- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

- a. Means:
  - (1) Work or operations performed by you or on your behalf; and
  - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
  - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
  - (2) The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY  
CG 00 68 05 09

## **RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion q. of Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### **2. Exclusions**

This insurance does not apply to:

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion p. of Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

#### **2. Exclusions**

This insurance does not apply to:

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.



**COMMERCIAL GENERAL LIABILITY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – CLUB MEMBERS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART.**

**WHO IS AN INSURED** (Section II) is amended to include as an insured any of your members, but only with respect to their liability for your activities or activities they perform on your behalf.



**COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



**COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2.  
Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2.  
Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.



**COMMERCIAL GENERAL LIABILITY  
CG 24 01 12 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NON-BINDING ARBITRATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL	GENERAL	LIABILITY	COVERAGE	PART
ELECTRONIC DATA LIABILITY COVERAGE PART				
LIQUOR LIABILITY COVERAGE PART				
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART				
POLLUTION LIABILITY COVERAGE PART				
PRODUCTS/COMPLETED	OPERATIONS	LIABILITY	COVERAGE	PART
PRODUCT WITHDRAWAL COVERAGE PART				
RAILROAD PROTECTIVE LIABILITY COVERAGE PART				
UNDERGROUND STORAGE TANK POLICY				

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and

2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. Any decision agreed to by the arbitrators may be appealed to a court of competent jurisdictions.



**COMMERCIAL GENERAL LIABILITY  
CG 24 16 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CANOES OR ROWBOATS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- 1. Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability** does not apply to "bodily injury" or "property damage" arising out of any canoe or rowboat owned or used by or rented to the insured.
- 2. Section II – Who Is An Insured** is amended to include as an insured any person or organization legally responsible for the use of any such canoe or rowboat you own, provided the actual use is with your permission.



COMMERCIAL GENERAL LIABILITY  
CG 26 57 04 00

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES – ADDITIONAL INSURED – CONDOMINIUM ASSOCIATIONS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**Section II – Who Is An Insured** is amended to include the following as an insured:

1. All agents of the association; and
2. All unit owners and other persons entitled to occupy any unit or other portion of the condominium

but only with respect to liability arising out of, or in connection with, the use, ownership, maintenance or repair of the common elements or other portion of the condominium which the association has the responsibility to maintain.



COMMERCIAL GENERAL LIABILITY  
CG 31 86 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

### ELECTRONIC DATA LIABILITY COVERAGE PART PRODUCT WITHDRAWAL COVERAGE PART

**A. Paragraph A.1. of the Cancellation Common Policy Condition** is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation stating a future date on which the policy is to be cancelled, subject to the following:
    - a. If only the interest of the first Named Insured is affected, the effective date of cancellation will be either the date we receive notice from the first Named Insured or the date specified in the notice, whichever is later. However, upon receiving a written notice of cancellation from the first Named Insured, we may waive the requirement that the notice state the future date of cancellation, by confirming the date and time of cancellation in writing to the first Named Insured.
    - b. If by statute, regulation or contract this policy may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days notice to the first Named Insured and the third party as soon as practicable after receiving the first Named Insured's request for cancellation.
- Our notice will state the effective date of cancellation, which will be the later of the following:
- (1) 10 days from the date of mailing or delivering our notice, or
  - (2) The effective date of cancellation stated in the first Named Insured's notice to us.

**B. Paragraph A.5. of the Cancellation Common Policy Condition** is replaced by the following:

5. **Premium Refund**
  - a. If this policy is cancelled, we will send the first Named Insured any premium refund due.
  - b. If we cancel, the refund will be pro rata, except as provided in Paragraph c. below.
  - c. If the cancellation results from failure of the first Named Insured to pay, when due, any premium to us or any amount, when due, under a premium finance agreement, then the refund may be less than pro rata. Calculation of the return premium at less than pro rata represents a penalty charged on unearned premium.
  - d. If the first Named Insured cancels, the refund may be less than pro rata.
  - e. The cancellation will be effective even if we have not made or offered a refund.

**C. The following is added to the Cancellation Common Policy condition and supersedes any other provisions to the contrary:**

If we decide to:

1. Cancel or nonrenew this policy; or
2. Increase current policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. Change any policy provision which would limit or restrict coverage;



Then:

We will mail or deliver notice of our action (including the dollar amount of any increase in renewal premium of more than 15%) to the first Named Insured and lienholder, if any, at the last mailing address known to us. Except as applicable as described in Paragraph D. below, we will mail or deliver notice at least:

1. 10 days before the effective date of cancellation if this policy has been in effect less than 60 days or if we cancel for nonpayment of premium; or
2. 45 days before the effective date of cancellation if this policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium; or
3. 45 days before the expiration date of this policy if we decide to nonrenew, increase the premium or limit or restrict coverage.

PI-CO-5 (4/03)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - SUBSIDENCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I – COVERAGES) and to paragraph 2., Exclusions of COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION I – COVERAGES):

This insurance does not apply to:

**"Bodily injury", "property damage" or "personal and advertising injury"** caused by, resulting from, attributable or contributed to, or aggravated by the subsidence of land as a result of landslide, mudflow, earth sinking or shifting, resulting from operations of the named insured or any subcontractor of the named insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**GENERAL LIABILITY DELUXE ENDORSEMENT:  
CONDOMINIUM ASSOCIATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure are provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement. The following is a summary of the Limits of Insurance and additional coverage provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance	Page #
Damage To Premises Rented To You, All Covered Causes of Loss	\$1,000,000	2
Expected or Intended Injury-Property Damage	included	2
Non-Owned Watercraft	Less than 58 feet	2
Supplementary Payments – Bail Bonds	\$2,500	2
Supplementary Payment – Loss of Earnings	\$500 per day	2
Employee Indemnification Defense Coverage for Employee	\$10,000	3
Additional Insured – Committee, Organization and Subsidiary	Included	3
Additional Insured – Managers or Lessors of Premises	Included	3
Additional Insured – Condominium Unit Owners	Included	3
Additional Insured – Lessor of Leased Equipment-Automatic Status when Required in Lease Agreement with You	Included	3
Additional Insured – Use of Watercraft	Included	4
Duties in the Event of Occurrence, Claim or Suit	Included	4
Unintentional Failure to Disclose Hazards	Included	4
Liberalization	Included	4
Bodily Injury – includes Mental Anguish	Included	4
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included	4

**A. Damage To Premises Rented To You**

If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to all Covered Causes of Loss where it appears in:

1. The last paragraph of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** after the Exclusions;
2. Paragraph 6 of **SECTION III - LIMITS OF INSURANCE**;
3. Paragraph b.(1)(b) of 4. Other Insurance in **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**; and
4. Paragraph 9.a. "Insured contract" in **SECTION V - DEFINITIONS**.

The Damage To Premises Rented To You Limit section of the Declarations is amended to the greater of:

- a. \$1,000,000; or
- b. The amount shown in the Declarations as the Damage to Premises Rented to You Limit.

This is the most we will pay for all damage proximately caused by the same event, whether such damage results from a Covered Cause of Loss or any combination thereof.

**B. Extended Property Damage**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** a. is deleted and replaced by the following:

**a. Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**C. Non-Owned Watercraft**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** paragraph g. (2) is amended to read as follows:

- (2) A watercraft you do not own that is:
  - (a) Less than 58 feet long; and
  - (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess or contingent.

**D. Supplementary Payments – Coverages A and B**

In the **SUPPLEMENTARY PAYMENTS - COVERAGE A AND B** provision:

1. The limit for the cost of bail bonds is changed from \$250 to \$2,500; and
2. The limit for loss of earnings is changed from \$250 a day to \$500 a day.

**E. Employee Indemnification Defense Coverage**

Under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** the following is added:

3. We will pay, on your behalf, defense costs incurred by an "employee" in a criminal proceeding. The most we will pay for any "employee" who is alleged to be directly involved in a criminal proceeding is \$10,000 regardless of the numbers of employees, claims or "suits" brought or persons or organizations making claims or bringing "suits".

**F. SECTION II - WHO IS AN INSURED** is amended as follows:

1. If coverage for newly acquired or formed organizations is not otherwise excluded from this Coverage Part, paragraph 3.a is changed to read:
  - a. Coverage under this provision is afforded until the end of the policy period.
2. **c and d** are deleted in their entirety and replaced with the following:
  - c. Any person or organization having proper temporary custody of your property if you cease to exist as a legal entity, but only:
    1. With respect to liability arising out of the maintenance or use of that property; and
    2. Until your legal representative has been appointed.
  - d. Your legal representative, if you cease to exist as a legal entity, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Each of the following is also an insured:
  - a. **Committee, Organization and Subsidiary** - Any committee, organization and subsidiary thereof which you control and actively manage on the effective date of this Coverage Part. However, coverage does not apply to any committee, organization and subsidiary not named in the Declarations as a Named Insured, if they are also insured under another policy, but for its termination or the exhaustion of its limits of insurance.
  - b. **Managers or Lessors of Premises** - Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased to you subject to the following additional exclusions:
 

This insurance does not apply to:

    - 1) Any "occurrence" which takes place after you cease to be a tenant in that premises.
    - 2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.
  - c. **Condominium Unit Owners** – each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.
  - d. **Lessor of Leased Equipment – Automatic Status When Required in Lease Agreement With You** – any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

PI-CO-6 (11/06)

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

- e. **Use of Watercraft** – any person, who with your consent, either uses or is responsible for the use of a watercraft that you do not own that is less than 58 feet long and is not being used to carry persons or property for a charge.

#### **G. Duties in the Event of Occurrence, Claim or Suit**

1. The requirement in condition 2.a. of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense, applies only when the "occurrence" or offense is known to:
  - a. You, if you are an individual;
  - b. A partner, if you are a partnership; or
  - c. An executive officer, director, or insurance manager, if you are a corporation.
2. The requirement in condition 2.b. that you must see to it that we receive notice of a claim or "suit" as soon as practicable will not be considered breached unless the breach occurs after such claim or "suit" is known to:
  - a. You, if you are an individual;
  - b. A partner, if you are a partnership; or
  - c. An executive officer, director, or insurance manager, if you are a corporation.

#### **H. Unintentional Failure To Disclose Hazards**

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

#### **I. Liberalization**

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

#### **J. Bodily Injury - Mental Anguish**

The definition of "Bodily injury" is changed to read:

3. "Bodily injury":
  - a. Means bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
  - b. Except for mental anguish, includes death resulting from the foregoing (item a. above) at any time.

#### **K. Personal and Advertising Injury – Abuse of Process, Discrimination**

If **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE** is not otherwise excluded from this Coverage Part, the definition of "Personal and Advertising Injury" is amended as follows:

1. Item 14 b. is revised to read:
  - a. Malicious prosecution or abuse of process;

PI-CO-6 (11/06)

2. Adding the following:

- a. "Personal and advertising injury" also means discrimination based on race, color, religion, sex, age or national origin, except when:
  1. Done intentionally by or at the direction of, or with the knowledge or consent of:
    - a. Any insured; or
    - b. Any executive officer, director, stockholder, partner or member of the insured; or
  2. Directly or indirectly related to the employment, former or prospective employment, termination of employment, or application for employment of any person or persons by an insured; or
  3. Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or
  4. Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

The above does not apply to fines or penalties imposed because of discrimination.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section 1 - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section 1 - Coverages):

This insurance does not apply to:

1. "Bodily injury," "property damage," or "personal and advertising injury" arising out of or caused by the actual or alleged:
  - a. Exposure to or existence of lead, paint containing lead, or any other material or substance containing lead;
  - b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead;

Whether or not the lead is or was at any time airborne as a particulate, contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

2. Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury," "property damage" or "personal and advertising injury" caused by lead, paint containing lead, or any other substance or material containing lead.
3. Any loss, cost, expense or damages, whether direct or consequential, arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or
  - (b) Claim or suit related to, testing for, monitoring, cleaning up, removing, abating, containing, treating or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - ASBESTOS LIABILITY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section 1 - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section 1 - Coverages):

This insurance does not apply to:

"Bodily injury," "property damage," "personal injury" or "advertising injury" arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;
2. The use of asbestos in constructing or manufacturing any good, product or structure;
3. The removal of asbestos from any good, product or structure; or
4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss or "suit," injury or damage or any cost, fine or penalty or for any expense or claim or "suit" related to any of the above.

CRIME AND FIDELITY  
CR 00 21 05 06

## **COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### **A. Insuring Agreements**

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.k. or E.1.l., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

#### **1. Employee Theft**

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

#### **2. Forgery Or Alteration**

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

#### **3. Inside The Premises – Theft Of Money And Securities**

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or
- (2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

#### **4. Inside The Premises – Robbery Or Safe Burglary Of Other Property**

a. We will pay for loss of or damage to "other property":

- (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
- (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.



- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

#### **5. Outside The Premises**

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

#### **6. Computer Fraud**

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

#### **7. Funds Transfer Fraud**

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

#### **8. Money Orders And Counterfeit Money**

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

#### **B. Limit Of Insurance**

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

#### **C. Deductible**

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

#### **D. Exclusions**

1. This insurance does not cover:

##### **a. Acts Committed By You, Your Partners Or Your Members**

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members"; whether acting alone or in collusion with other persons.

##### **b. Acts Of Employees Learned Of By You Prior To The Policy Period**

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

##### **c. Acts Of Employees, Managers, Directors, Trustees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
  - (2) While performing services for you or otherwise;
- except when covered under Insuring Agreement A.1.

##### **d. Confidential Information**

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

**e. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

**f. Indirect Loss**

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**g. Legal Fees, Costs And Expenses**

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.2.

**h. Nuclear Hazard**

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**i. Pollution**

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**j. War And Military Action**

Loss or damage resulting from:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**2. Insuring Agreement A.1. does not cover:**

**a. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

**b. Trading**

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

**c. Warehouse Receipts**

Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

**3. Insuring Agreements A.3., A.4. and A.5. do not cover:**

**a. Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

**b. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.



**c. Fire**

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

**d. Money Operated Devices**

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

**e. Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

**f. Transfer Or Surrender Of Property**

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
  - (a) On the basis of unauthorized instructions;
  - (b) As a result of a threat to do bodily harm to any person;
  - (c) As a result of a threat to do damage to any property;
  - (d) As a result of a threat to introduce a denial of service attack into your computer system;
  - (e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
  - (f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or
  - (g) As a result of a threat to disseminate, divulge or utilize:
    - (i) Your confidential information; or
    - (ii) Weaknesses in the source code within your computer system.

- (2) But, this Exclusion does not apply under Insuring Agreement A.5. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**g. Vandalism**

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

**h. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**4. Insuring Agreement A.6. does not cover:****a. Credit Card Transactions**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

**b. Funds Transfer Fraud**

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

**c. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

**5. Insuring Agreement A.7. does not cover:****COMPUTER FRAUD**

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".



## E. Conditions

The following Conditions apply in addition to the Common Policy Conditions:

### 1. Conditions Applicable To All Insuring Agreements

#### a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

#### b. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

#### c. Consolidation – Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but

- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

#### d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

#### e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1. or A.2.) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Produce for our examination all pertinent records.
- (4) Give us a detailed, sworn proof of loss within 120 days.
- (5) Cooperate with us in the investigation and settlement of any claim.

#### f. Employee Benefit Plans

- (1) The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under Insuring Agreement A.1.
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Insuring Agreement A.1. that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.



- (3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement A.1. is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:
- (a) Sustained by two or more Plans; or
  - (b) Of commingled "funds" or "other property" of two or more Plans;
- resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- (6) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any Plan.

#### **g. Extended Period To Discover Loss**

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

#### **h. Joint Insured**

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
  - (a) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
  - (b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan", shall fully release us on account of such loss.

#### **i. Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

**j. Liberalization**

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

**k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**

**(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

**(2) Loss Sustained Entirely During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

**(3) In settling loss subject to this Condition:**

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

**(4) The following examples demonstrate how we will settle losses subject to this Condition E.1.k.:**

**EXAMPLE NO. 1:**

The insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

**POLICY A**

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

**POLICY B**

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

The amount of loss sustained under Policy A is \$2,500 and under Policy B is \$7,500.



The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).
2. The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

#### **EXAMPLE NO. 2:**

The insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

#### **POLICY A**

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

#### **POLICY B**

Issued prior to Policy A. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

The amount of loss sustained under Policy A is \$175,000 and under Policy B is \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy B. The Policy A Deductible Amount of \$10,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$175,000) is settled first. The amount we will pay is the Policy A Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000 which is greater than the \$125,000 policy limit.
2. The remaining amount of loss sustained under Policy B (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy B limit - \$125,000 paid under Policy A = \$25,000).

The most we will pay for this loss is \$150,000.

#### **EXAMPLE NO. 3:**

The insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies A, B, C and D.

#### **POLICY A**

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

#### **POLICY B**

Issued prior to Policy A. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

#### **POLICY C**

Issued prior to Policy B. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

#### **POLICY D**

Issued prior to Policy C. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

The amount of loss sustained under Policy A is \$350,000, under Policy B is \$250,000, under Policy C is \$600,000 and under Policy D is \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy A. The Policy A Deductible Amount of \$100,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
2. The amount of loss sustained under Policy B (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
3. The amount of loss sustained under Policy C (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
4. We will not make any further payment under Policy D as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy A has been satisfied.

The most we will pay for this loss is \$1,000,000.



**I. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
  - (a) This insurance became effective at the time of cancellation of the prior insurance; and
  - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".
- (2) In settling loss subject to this Condition:
  - (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
  - (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
- (3) The insurance provided under this Condition is subject to the following:
  - (a) If loss covered under this Condition is also partially covered under Condition E.1.k., the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition E.1.k.
  - (b) For loss covered under this Condition that is not subject to Paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
    - (i) This insurance as of its effective date; or
    - (ii) The prior cancelled insurance had it remained in effect.

**m. Other Insurance**

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

**(1) Primary Insurance**

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph (1)(a), we will only pay for the amount of loss that exceeds:
  - (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
  - (ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

**(2) Excess Insurance**

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.



**n. Ownership Of Property; Interests Covered**

The property covered under this insurance is limited to property:

- (1) That you own or lease; or
- (2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

**o. Records**

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

**p. Recoveries**

(1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:

- (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
- (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
- (c) Third, to you in satisfaction of any Deductible Amount; and
- (d) Fourth, to you in satisfaction of any loss not covered under this insurance.

(2) Recoveries do not include any recovery:

- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) Of original "securities" after duplicates of them have been issued.

**q. Territory**

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

**r. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**s. Valuation – Settlement**

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(i) At face value in the "money" issued by that country; or

(ii) In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

(i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or

ii. The Limit of Insurance applicable to the "securities".



(c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

- (i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
- (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or
- (iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs s.(1)(c)(i) through s.(1)(c)(iii), we will not pay on a replacement cost basis for any loss or damage:

- i. Until the lost or damaged property is actually repaired or replaced; and
- ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We will, at your option, settle loss or damage to property other than "money":
  - (a) In the "money" of the country in which the loss or damage occurred; or
  - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".
- (3) Any property that we pay for or replace becomes our property.

## 2. Conditions Applicable To Insuring Agreement A.1.

### a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

### b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition E.1.q. for a period of not more than 90 consecutive days.

## 3. Conditions Applicable To Insuring Agreement A.2.

### a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

### b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

### c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.



**d. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.2.

**4. Conditions Applicable To Insuring Agreements A.4. And A.5.****a. Armored Motor Vehicle Companies**

Under Insuring Agreement A.5., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**b. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

**5. Conditions Applicable To Insuring Agreement A.6.****a. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

**b. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.6.

**F. Definitions**

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

3. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.

4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance

**5. "Employee":**

a. "Employee" means:

- (1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";

- (b) Who you compensate directly by salary, wages or commissions; and

- (c) Who you have the right to direct and control while performing services for you;

- (2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or

- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";



- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a.(2);
- (4) Any natural person who is:
  - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
  - (b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
- (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";
- (7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
- (8) Any of your "managers", directors or trustees while:
  - (a) Performing acts within the scope of the usual duties of an "employee"; or
  - (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. "Employee" does not mean:  
Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 5.a.
- 6. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
- 7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- 8. "Fraudulent instruction" means:
  - a. An electronic, telegraphic, cable, teletype, facsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction (other than those described in Insuring Agreement A.2.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, facsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- 9. "Funds" means "money" and "securities".
- 10. "Manager" means a person serving in a directorial capacity for a limited liability company.
- 11. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- 12. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
- 13. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
- 14. "Occurrence" means:
  - a. Under Insuring Agreement A.1.:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or



- (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.
- b. Under Insuring Agreement A.2.:
- (1) An individual act;
  - (2) The combined total of all separate acts whether or not related; or
  - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.
- c. Under All Other Insuring Agreements:
- (1) An individual act or event;
  - (2) The combined total of all separate acts or events whether or not related; or
  - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.
15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.
16. "Premises" means the interior of that portion of any building you occupy in conducting your business.
17. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- a. Caused or threatened to cause that person bodily harm; or
  - b. Committed an obviously unlawful act witnessed by that person.
18. "Safe burglary" means the unlawful taking of:
- a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - b. A safe or vault from inside the "premises".
19. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".
20. "Theft" means the unlawful taking of property to the deprivation of the Insured.
21. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - b. By means of written instructions (other than those described in Insuring Agreement A.2.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
22. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

PI-MANU-1 (01/00)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**Employee Dishonesty - Property Manager**

**Employee Dishonesty - Property Manager**

This endorsement modifies insurance provided by the Crime Coverage Form, PI-ULT-009, Section G. Definitions, 4. "Employee":

"Employee" shall also mean:

Any natural person or organization while acting as your real estate manager.

All other terms and conditions of this Policy remain unchanged.

PI-MANU-1 (01/00)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CRDS01 07 02 Comm Crime Coverage

COMMERCIAL CRIME COVERAGE PART DECLARATIONS

The Commercial Crime Coverage Part consists of this Declarations Form and the Commercial Crime Coverage Form.

EMPLOYEE BENEFIT PLAN(S) INCLUDED AS INSUREDS:

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES:

INSURING AGREEMENTS      LIMIT OF INSURANCE

Per Occurrence      DEDUCTIBLE AMOUNT

Per Occurrence

1. Employee Theft	\$500,000	\$500
2. Forgery Or Alteratio	50,000	500
3. Inside The Premises - Theft Of Money And Secu-rities		25,000
500		
4. Inside The Premises - Robbery Or Safe Burglary		
Of Other Property	Not Covered	
5. Outside The Premises	25,000	500
6. Computer Fraud	50,000	500
7. Funds Transfer Fraud	50,000	500
8. Money Orders And Counterfeit Paper Currency		Not Covered

If Added by Endorsement, Insuring Agreement(s):

\$      \$

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

ENDORSEMENTS FORMING PART OF THIS COVERAGE PART WHEN ISSUED:

CANCELLATION OF PRIOR INSURANCE ISSUED BY US:

By acceptance of this Coverage Part you give us notice cancelling prior

All other terms and conditions of this Policy remain unchanged.

PI-MANU-1 (01/00)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

policy Nos. ;

the cancellation to be effective at the time this Coverage Part becomes effective.

COUNTERSIGNED BY:

(Date) (Authorized Representative)

All other terms and conditions of this Policy remain unchanged.

COMMERCIAL AUTO  
CA 00 01 03 10

## BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### **SECTION I – COVERED AUTOS**

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

#### **A. Description Of Covered Auto Designation Symbols**

<b>Symbol</b>	<b>Description Of Covered Auto Designation Symbols</b>	
<b>1</b>	Any "Auto"	
<b>2</b>	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
<b>3</b>	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
<b>4</b>	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
<b>5</b>	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
<b>6</b>	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
<b>7</b>	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
<b>8</b>	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
<b>9</b>	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

<b>19</b>	<b>Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only</b>	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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**B. Owned Autos You Acquire After The Policy Begins**

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

**C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos**

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

**SECTION II – LIABILITY COVERAGE**

**A. Coverage**

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

**1. Who Is An Insured**

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.



- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## **2. Coverage Extensions**

### **a. Supplementary Payments**

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

### **b. Out-of-state Coverage Extensions**

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## **B. Exclusions**

This insurance does not apply to any of the following:

### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

### **2. Contractual**

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

### **3. Workers' Compensation**

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.



#### **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
  - (1) Employment by the "insured"; or
  - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the coverage form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

#### **5. Fellow Employee**

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

#### **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

#### **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

#### **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

#### **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### **10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.



Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

#### **11. Pollution**

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

#### **12. War**

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

#### **13. Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

#### **C. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

### **SECTION III – PHYSICAL DAMAGE COVERAGE**

#### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:

##### **a. Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

##### **b. Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

##### **c. Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

#### **2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

#### **3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and

- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

#### **4. Coverage Extensions**

##### **a. Transportation Expenses**

We will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

##### **b. Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

#### **B. Exclusions**

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

##### **a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.



**b. War Or Military Action**

- (1) War, including undeclared or civil war;
  - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.
3. We will not pay for "loss" due and confined to:
- a. Wear and tear, freezing, mechanical or electrical breakdown.
  - b. Blowouts, punctures or other road damage to tires.
- This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".
4. We will not pay for "loss" to any of the following:
- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
  - b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measurement equipment.
  - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
  - d. Any accessories used with the electronic equipment described in Paragraph c. above.
5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:
- a. Permanently installed in or upon the covered "auto";

- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
  - c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
  - d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.
6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

**C. Limit Of Insurance**

1. The most we will pay for "loss" in any one "accident" is the lesser of:
  - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
  - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. \$1,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:
  - a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
  - b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
  - c. An integral part of such equipment.
3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

**D. Deductible**

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.



## **SECTION IV – BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

### **A. Loss Conditions**

#### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

#### **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;
  - (2) The "insured's" name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
  - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
  - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
  - (4) Authorize us to obtain medical records or other pertinent information.

(5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:
  - (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
  - (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
  - (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
  - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

#### **3. Legal Action Against Us**

No one may bring a legal action against us under this coverage form until:

- a. There has been full compliance with all the terms of this coverage form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

#### **4. Loss Payment – Physical Damage Coverages**

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

#### **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.



## B. General Conditions

### 1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

### 2. Concealment, Misrepresentation Or Fraud

This coverage form is void in any case of fraud by you at any time as it relates to this coverage form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This coverage form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this coverage form.

### 3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

### 4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

### 5. Other Insurance

a. For any covered "auto" you own, this coverage form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this coverage form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph a. above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

### 6. Premium Audit

a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

### 7. Policy Period, Coverage Territory

Under this coverage form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if:

(a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

(b) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.



We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

#### **8. Two Or More Coverage Forms Or Policies Issued By Us**

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

#### **SECTION V – DEFINITIONS**

**A. "Accident"** includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

**B. "Auto"** means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

**C. "Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

**D. "Covered pollution cost or expense"** means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".



Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers; or



6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- a. Equipment designed primarily for:
    - (1) Snow removal;
    - (2) Road maintenance, but not construction or resurfacing; or
    - (3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.
- However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
1. Damages because of "bodily injury" or "property damage"; or
  2. A "covered pollution cost or expense"; to which this insurance applies, are alleged.
- "Suit" includes:
- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.



COMMERCIAL AUTO  
CA 01 09 10 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES**

For a covered "auto" licensed or principally garaged in Georgia, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
 BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
 MOTOR CARRIER COVERAGE FORM  
 TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. Changes In Liability Coverage**

1. Liability Coverage is primary for an "auto" you don't own if operated by the "insured" and owned by a retail seller of "autos".
2. If you are a retail seller of "autos", the insurance is excess for an "auto" you own if operated by an "insured" other than you or your "employee".
3. The **Expected Or Intended Injury Exclusion** is replaced by the following:

This insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Georgia Motor Vehicle Safety Responsibility Act.

**B. Changes In Physical Damage Coverage**

1. If collision coverage is provided, the collision coverage is primary for an "auto" you don't own if operated by the "insured" and owned by a retail seller of "autos".
2. If you are a retail seller of "autos", the collision insurance is excess for an "auto" you own if operated by an "insured" other than you or your "employee".
3. The "Diminution In Value" exclusion does not apply.

**C. Paragraph A.6. of the Cancellation Common Policy Condition** is replaced by the following:

If notice is mailed, a receipt provided by, or such other evidence of mailing as prescribed or accepted by, the U.S. Postal Service shall be sufficient proof of notice.

**D. Paragraph 2.a. of Duties In The Event Of Accident, Claim, Suit Or Loss** is replaced by the following:

- a. In the event of "accident", claim, "suit" or "loss", we or our representative must receive prompt notice of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;
  - (2) The "insured's" name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.

The requirement for giving notice of a claim, if not satisfied by the "insured" within 30 days of the date of the "accident", may be satisfied by an injured third party who, as the result of such "accident", has a claim against the "insured". However, in this event, notice of a claim given by an injured third party must be mailed to us.

**E. The Concealment, Misrepresentation Or Fraud Condition** is replaced by the following:

### **CONCEALMENT, MISREPRESENTATION OR FRAUD**

We will not pay for any "loss" or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
2. Fraud committed by you or any other "insured", at any time, and relating to coverage under this policy.



F. The last sentence in the **Appraisal For Physical Damage Loss** Condition in the Business Auto, Motor Carrier and Truckers Coverage Forms and the **Appraisal** Condition in the Business Auto Physical Damage Coverage Form is replaced by the following:

We do not waive any of our rights under this policy by agreeing to an appraisal.

**COMMERCIAL PROPERTY**

# **COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.



COMMERCIAL PROPERTY  
CP 01 31 12 00

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:
  - 1.** We will not pay for loss or damage arising out of any act committed:
    - a.** By or at the direction of any insured; and
    - b.** With the intent to cause a loss.
  - 2.** However, this exclusion will not apply to deny coverage to an innocent co-insured, provided the loss:
    - a.** Is otherwise covered under this Coverage Part; and
    - b.** Arose out of an act of family violence by an insured against whom a family violence complaint is brought for such act.
  - 3.** If we pay a claim pursuant to Paragraph **B.2.**, our payment to the insured is limited to that insured's legal interest in the property less any payments we first made to a mortgageholder or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.



## PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read this entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this Insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section G., Definitions**.

### A. Coverage

We will pay for direct physical "**loss**" to Covered Property caused by or resulting from any of the Covered Causes of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

a. **Your Business Personal Property**, and similar property of others in your care, custody or control:

- (1) Located in or on the "**buildings**" described in the Declarations or within 1,000 feet of the described premises;
- (2) In transit; and
- (3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

- (a) Furniture and fixtures;
- (b) Machinery and equipment;
- (c) "**Stock**";
- (d) "**Fine Arts**"

If the total value of "**Fine Arts**" is over \$25,000 they must be listed in a schedule on file with us;

- (e) "**Computer Property**";
- (f) All other personal property owned by you and used in your business;
- (g) Labor, materials or services furnished or arranged by you on personal property of others;

- (h) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
    - (i) Made a part of the "**buildings**" you occupy but do not own; and
    - (ii) You acquired or made at your expense but cannot legally remove;
  - (i) Building glass for which you have a contractual responsibility as tenant, including encasement frames, alarm tape, lettering and ornamentation;
  - (j) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and
  - (k) Signs.
- b. "**Buildings**" described in the Declarations including:
- (1) Building glass;
  - (2) Completed additions;
  - (3) Permanently installed;
    - (a) Fixtures;
    - (b) Machinery; and
    - (c) Equipment;
  - (4) Outdoor fixtures, including awnings;
  - (5) Fences;
  - (6) Personal property owned by you that is used to maintain or service the "**buildings**" or their premises, including:
    - (a) Fire extinguishing equipment;
    - (b) Outdoor furniture;
    - (c) Floor coverings;
    - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
    - (e) Alarm, communication and monitoring systems;
  - (7) If not covered by other insurance:
    - (a) Alterations within, or on the exterior of, the existing "**buildings**";
    - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making alterations to the existing "**buildings**";

- (8) Foundations of covered "buildings", machinery and boilers and foundations of equipment and machinery, whether above or below ground;
- (9) Underground pipes, flues and drains.
- (10) Retaining walls that are not part of "buildings";
- (11) Bridges, roadways, walks, patios, and other paved surfaces, including in-ground pools.

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, watercraft, or railroad rolling stock;
- b. Animals, birds or fish;
- c. Automobiles held for sale;
- d. Pilings, piers, wharves or docks;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. "Money" or "securities";
- g. The cost of excavations, grading, filling or backfilling, all except as provided under the Coverage Extensions;
- h. Land (including land on which the property is located), water, growing crops, standing timber or lawns;
- i. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- j. Vehicles or self-propelled machines that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse; or
  - (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- k. The following property while outside of "buildings":
- (1) Grain, hay, straw or other crops;
  - (2) Trees, shrubs or plants (other than "stock" of trees, shrubs or plants) except as provided in the Coverage Extensions;

- I. Property that is covered under any import or export ocean marine insurance policy;
- m. After delivery to customers, property that you have sold under a conditional sale or trust agreement, installment payment or other deferred payment plan;
- n. Property of others for which you are responsible as a:
  - (1) Carrier for hire; or
  - (2) Carloader, consolidator, transportation broker, freight forwarder, shipping association or arranger of transportation.
- o. "Fine Arts", if the total value of such property is greater than \$25,000, unless such property is listed in a Schedule on file with us;
- p. "Data" and "media" which cannot be reproduced or replaced with others of the same kind or quality;
- q. Property which is intended for installation at a premises you do not own, lease or control, after it has left your premises: and
- r. (1) "Buildings"; or
  - (2) Additions to existing "buildings";

In the course of construction, except as provided in the Additional Coverages.

### **3. Covered Causes of Loss**

See the Causes of Loss Form.

### **4. Additional Coverages**

The most we will pay in any one occurrence for each of the following Additional Coverages is as stated under each, unless a different limit is shown in the Superseding Limits section of the Additional Coverage Summary Declarations.

#### **a. Debris Removal**

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from any of the Covered Causes of Loss that occur during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical "loss".
- (2) (a) The most we will pay under this Additional Coverage in any one occurrence is 25% of :
  - (i) The amount we pay for the direct physical "loss" to Covered Property; plus
  - (ii) The Deductible in this Coverage Form applicable to that "loss".

This limit does not increase any applicable Limits of Insurance provided by this Coverage Form.

**(b)** But if either:

- (i) The sum of direct physical "loss" and Debris Removal expenses exceeds the applicable Limit of Insurance; or
- (ii) The Debris Removal expenses exceed the amount payable under the 25% limitation in subparagraph (2) (a) above;

We will pay up to an additional \$250,000 for each described premises in any one occurrence.

This limit is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**(3)** This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

**b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from "loss" by any of the Covered Causes of Loss, we will pay for any direct physical "loss" to that property:

- (1) While it is being moved or while temporarily stored at another premises; and
- (2) Only if the "loss" occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from any of the Covered Causes of Loss, we will pay for your liability of fire department service charges:

- (1) Assumed by contract or agreement prior to "loss"; or
- (2) Required by local ordinance.

The most we will pay under this Additional Coverage in any one occurrence is \$50,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

**d. Fines for False Alarms**

We will pay any fines you are assessed that you are legally obligated to pay under local or state ordinances, regulations or laws, for any false alarms sent in to police or fire stations or to central monitoring stations by fire, burglar or sprinkler alarms installed to protect Covered Property at described premises or in safes or vaults on described premises.

The most we will pay in any one occurrence is \$2,500, but no more than \$5,000 in any one policy year. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No Deductible applies to this Additional Coverage.

**e. Fire, Sprinkler or Burglar Alarm Upgrade**

In the event of a total "loss" to covered fire, sprinkler or burglar alarm systems at described premises caused by or resulting from any of the Covered Causes of Loss, we will pay for the cost to purchase upgraded equipment.

The most we will pay in any one occurrence is \$50,000. This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

**f. Pollutant Clean Up and Removal**

We will pay your expenses to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from any of the Covered Causes of Loss that occur during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Causes of Loss occur.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

This Additional Coverage is in addition to the applicable limits of insurance provided by this Coverage Form.

**g. Recharge or Refill of Fire Protection System**

We will pay your expenses to recharge or refill automatic fire protection systems when such systems are discharged as the result of any of the Covered Causes of Loss.

We will not pay recharging or refilling expenses if the discharge occurred while the system was being tested.

No Deductible applies to this Additional Coverage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**h. Theft Damage to "Buildings"**

We will pay for "**loss**" to "**buildings**" (including equipment within the "**buildings**" used to maintain or service the "**buildings**") caused by theft or attempted theft of Covered Business Personal Property.

This Additional Coverage is applicable only to the premises where you are a tenant and are liable for such damage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**i. Brands and Labels**

If your "**stock**" is damaged as a result of any of the Covered Causes of Loss, you have two options when you do not want to sell it under your brand or label even though it has a salvage value. You can:

- (1) Remove the brand or label and then relabel the "**stock**" to comply with the law; or
- (2) Label the damaged "**stock**" as salvage but, in doing so, cause no further damage to the damaged "**stock**".

We will pay the cost of removing and relabeling your "**stock**".

In either case, we will pay the difference between the salvage value of the damaged "**stock**" with the brand and label attached, and the salvage value of the damaged "**stock**" with the brand and label removed.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**j. Consequential Damage**

We will pay for "**consequential damage**" to covered Business Personal Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Additional Coverage in any one occurrence is \$25,000.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**k. Arson Reward**

In the event that a covered fire "**loss**" was the result of an act of arson, we will reimburse you up to \$25,000 for rewards you pay for information leading to conviction of the person or persons responsible for that act of arson. This is additional insurance. The Coinsurance Condition and Deductible do not apply to this Additional Coverage.

**I. Computer Virus Extraction Expense**

We will pay:

Your expenses to extract a "**computer virus**" from covered electronic data processing "**hardware**", "**data**" and "**media**".

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

This Additional Coverage is the only portion of this policy that provides coverage for a "**computer virus**" extraction loss, regardless of any other cause or event that contributes concurrently or in any sequence to the "**loss**".

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**m. Computer Upgrade**

- (1) In the event of "**loss**" to covered electronic data processing "**hardware**" caused by or resulting from a Covered Cause of Loss, we will allow you to use the amount we pay you for that "**loss**" to purchase upgraded electronic data processing "**hardware**".
- (2) If you choose to upgrade that equipment, we will pay for the expenses you incur to convert your "**data**" and "**media**" to the upgraded system.

**n. Contract Penalty Clause**

We will pay for any contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must result solely from direct physical "**loss**" to Covered Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for penalties for all contracts in any one occurrence is \$25,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**o. Claim Expenses**

In the event of a covered "**loss**", we will pay for all reasonable expenses you incur at our request to assist us in:

- (1) The investigation of a claim; or
- (2) The determination of the amount of "**loss**", such as taking inventory.

We will not pay for:

- (1) Expenses to prove that "**loss**" is covered;
- (2) Expenses incurred under Loss Condition E.2., **Appraisal**; or
- (3) Expenses billed by and payable to independent or public adjusters.

The most we will pay under this Additional Coverage is \$10,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

**p. Worldwide Coverage**

We will pay for "**loss**" to Covered Property:

- (1) In transit, other than in the custody of a mail carrier, to or from:

(a) The United States of America;

(b) Canada; or

(c) Territories or possessions of the United States of America; and

Points worldwide, except those excluded below. This coverage applies from the delivery of the Covered Property at the point of origin shown in the bill of lading until it is discharged at the destination shown in the bill of lading.

- (2) At locations outside the Coverage Territory, while it is in the custody of directors, officers or employees who are traveling in the conduct of your business, except in those countries listed below.

- (3) This Additional Coverage does not apply to property located in, or in transit to, from or within, Afghanistan, Albania, Cambodia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Iraq, Iran, Laos, Lebanon, Libya, Myanmar, Nicaragua, North Korea, Syria, Republics formerly a part of the Union of Soviet Socialist Republics, Vietnam, or Yugoslavia or Republics formerly a part of Yugoslavia.

The most we will pay in any one occurrence is \$25,000. This Additional Coverage is in addition to the applicable Limits of Insurance under this Coverage Form.

**5. Coverage Extensions**

Except as otherwise provided, the following Coverage Extensions apply to property located in or on the "**buildings**" described in the Declarations or within 1,000 feet of the described premises.

The most we will pay in any one occurrence for each of the following Coverage Extensions is as stated under each, unless a different limit is shown in the Superseding Limits column of the Additional Coverage Summary Declarations.

**a. Newly Acquired Property**

We will pay for direct physical "**loss**" to:

- (1) "**Buildings**" and business personal property you acquire; and

- (2) "**Buildings**" which you have had constructed after:

(a) Construction is completed; and

(b) You have accepted the "**buildings**" for occupancy; and

- (c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the "**buildings**";

At any premises caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Coverage Extension for "**loss**" to "**buildings**" and business personal property combined in any one occurrence is \$1,000,000.

This Coverage Extension does not increase the Limit of Insurance for "**buildings**" and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

- (1) This policy expires;
- (2) 180 days expire after you acquire the property or have completed construction; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or construction is completed.

**b. New Construction**

We will pay for direct physical "**loss**" caused by or resulting from any of the Covered Causes of Loss to:

- (1) "**Buildings**"; or
- (2) Additions to existing "**buildings**";

In the course of construction at any premises, if the construction began after the inception date of this policy. We do not cover "**buildings**" which you construct to sell to others or for the account of others.

The most we will pay in any one occurrence is \$500,000.

This Additional Coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 60 days expire after construction begins; or
- (3) You report the new construction to us;

We will charge you additional premium for values reported from the date construction begins.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**c. Personal Effects**

- (1) We will pay for direct physical "**loss**" to cellular phones and other portable electronic equipment owned by your employees and used in your business, while they are away from described premises, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such "**loss**" is \$1,000 for property of any one employee and \$2,500 in any one occurrence.
- (2) We will pay for direct physical "**loss**" to personal effects of your directors, officers, (partners) and employees, while they are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such "**loss**" in any one occurrence is \$1,000.
- (3) We will pay for direct physical "**loss**" to personal effects owned by you, your officers, your partners or your employees caused by or resulting from any of the Covered Cause of Loss at a described premises. The most we will pay for such "**loss**" is \$25,000 at any one described premises.

No Deductible applies to this Coverage Extension.

**d. Personal Effects - Spouses**

We will pay for direct physical "**loss**" to personal effects belonging to spouses of your directors, officers or partners when such spouses are traveling with your directors, officers or partners who are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such "**loss**" is \$500 for any one person or \$1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

**e. Accounts Receivable**

We will pay the following loss and expenses which are the direct result of "**loss**" to accounts receivable records caused by or resulting from any of the Covered Causes of Loss:

- (1) All sums due you from customers, provided you are unable to collect;
- (2) Interest charges on any loan to offset amounts you are unable to collect pending our payments of these accounts;
- (3) Collection expenses in excess of your normal collection expenses made necessary because of "**loss**"; and
- (4) Other reasonable expenses you incur to re-establish your records of accounts receivable following such "**loss**".

We will not pay for "**loss**" that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Coverage Extension in any one occurrence is \$250,000.

**f. Excavations and Landscaping**

We will pay for:

- (1) Your reasonable costs for excavations, grading, filling or backfilling at a described premises made necessary by direct physical "loss" to Covered Property caused by or resulting from any of the Covered Causes of Loss; and
- (2) Direct physical "loss" to your outdoor trees, shrubs and plants, including debris removal expenses, caused by or resulting from any of the following Causes of Loss:
  - (a) Fire;
  - (b) Lightning;
  - (c) Explosion;
  - (d) Riot or Civil Commotion; or
  - (e) Aircraft.

This Coverage Extension does not apply to "stock" of trees, shrubs and plants.

The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

**g. Valuable Papers and Records - Cost of Research**

We will pay your expenses to research, replace, or restore the lost information on "valuable papers and records", including those converted to electronic data format, that are lost or damaged as a result of any of the Covered Causes of Loss.

We will not pay for such expenses arising out of "loss" caused by or resulting from errors or omissions in processing or copying "valuable papers and records". But we will pay for expenses arising out of "loss" caused by resulting fire or explosion.

The most we will pay under this Coverage Extension in any one occurrence is \$250,000 at each described premises.

**h. Guard Dogs**

We will pay for direct death or destruction of a "guard dog" caused by or resulting from, or made necessary by, any of the following Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion
- (4) Theft;
- (5) Vandalism (including shooting or poisoning);

(6) Vehicles; or

(7) Collision, upset or overturn of the vehicle transporting the "guard dog".

The Cause of Loss must occur at described premises and during other than normal business hours, or while the "guard dog" is being transported to or from the described premises. This Additional Coverage does not apply to death or destruction of "stock" held for sale.

The most we will pay for any one "guard dog" is \$500, but not more than \$1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

#### i. Fish in Aquariums

We will pay for direct death or destruction of fish in aquariums caused by or resulting from, or made necessary by, any of the following Causes of Loss at the described premises:

- (1) Fire;
- (2) Lightning;
- (3) Explosion
- (4) Riot or Civil Commotion;
- (5) Aircraft; or
- (6) Interruption of power supply service to the described premises, when the cause of the event occurs more than 1,000 feet from the premises.

This Coverage Extension does not apply to death or destruction of "stock" held for sale.

The most we will pay in any one occurrence is \$1,000.

No deductible applies to this Coverage Extension.

#### j. Ordinance or Law

If a Covered Cause of Loss occurs to a covered "building", we will pay for:

- (1) Loss to the undamaged portion of the "building" caused by enforcement of any ordinance or law that:
  - (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss; and
  - (b) Regulates the construction or repair of "buildings" or establishes zoning or land use requirements at the described premises.

This coverage is included within the Limit of Insurance applicable to the covered "buildings" shown in the UltimateCover Program Declarations.

- (2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The most we will pay for such demolition costs is \$250,000 in any one occurrence.

- (3) We will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the "building" is not repaired or replaced.

The most we will pay for such increased cost of construction is \$250,000 in any one occurrence.

Insurance under this Coverage Extension applies only with respect to an ordinance or law that is in effect at the time of "loss". Insurance under this Additional Coverage does not apply to costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way to respond to or assess the effects of "pollutants".

**k. Lost Key Replacement**

In the event of the theft or disappearance of a master key to "buildings", rooms or compartments at described premises in which covered Business Personal Property is located, we will pay the actual and necessary expenses you incur to:

- (1) Replace the key; and  
(2) (a) Adjust existing locks to accept the new key; or  
(b) Replace the lock;

Whichever is less.

The most we will pay under this Coverage Extension is \$2,500.

No deductible applies to this Coverage Extension.

Each of these Coverage Extensions is additional insurance, unless otherwise indicated.

The Additional Condition, Coinsurance (if applicable to this Coverage Form), does not apply to these Coverage Extensions.

**B. Exclusions**

See the Causes of Loss Form.

**C. Limits of Insurance**

The most we will pay for "loss" in any one occurrence:

1. For each Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.

2. For each Coverage Extension is the Limit of Insurance applicable to that Coverage Extension;
3. For "Fine Arts" is:
  - a. \$25,000; or
  - b. The amount shown in the "Fine Arts" Schedule on file with us;Whichever is greater; and
4. For all other coverage provided under this Coverage Form is the applicable Limit of Insurance shown in the Property Coverage Part Declarations.

#### **D. Deductible**

We will not pay for "loss" in any one occurrence until the amount of the "loss" exceeds the Deductible shown in the Declarations or schedules. We will then pay the amount of the "loss" in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by any of the following:

1. Coinsurance Condition;
2. Agreed Value Optional Coverage; or
3. Reporting Endorsement.

If more than one Deductible is applicable under this Coverage Form to "loss" in any one occurrence, we will only apply the highest applicable Deductible.

#### **E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal of the "loss". In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties in the Event of Loss**

- a. You must see that the following are done in the event of "loss" to Covered Property:
- (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the "loss". Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the "loss" occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
  - (5) At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of "loss" claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property and records proving the "loss".  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Make no statement that will assume any liability, for any "loss" for which we may be liable, without our consent.
  - (8) Promptly send us any legal papers or notices received concerning the "loss".
  - (9) Send us a signed sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (10) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

**4. Loss Payment**

- a. In the event of "loss" to Covered Property covered by this Coverage form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust the "**loss**" with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered "**loss**" within 30 days after we receive the sworn proof of loss, if:
  - (1) You have complied with all of the terms of this coverage form; and
  - (2) (a) We have reached agreement with you on the amount of "**loss**";
    - (b) An appraisal award has been made; or
    - (c) Final judgment has been entered.

#### 5. a. Recovered Property

If either you or we recover any property after "**loss**" settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for your property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### b. Recoveries

The following applies only to the Accounts Receivable Coverage Extension:

You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

#### 6. Vacancy

If the "**building**" where "**loss**" occurs has been vacant for more than 60 consecutive days before that "**loss**," we will:

- a. Not pay for any "**loss**" caused by any of the following even if they are Covered Causes of Loss:
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.

- b. Reduce the amount we would otherwise pay for the "**loss**" by 15%.

"Buildings" are vacant when they do not contain enough business personal property to conduct customary operations.

## 7. Valuation

We will determine the value of Covered Property in the event of "**loss**" as follows:

- a. At replacement cost (without deduction for depreciation) as of the time of "**loss**", except as provided in b., c., d., e., f., g., and h. below.

(1) We will not pay more for "**loss**" on a replacement costs basis than the least of:

- (a) The Limit of Insurance applicable to the lost or damaged property;
- (b) The cost to replace the lost or damaged property with other property:
  - (i) Of comparable material and quality; and
  - (ii) Used for the same purpose; or
- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(2) We will not pay on a replacement cost basis for any "**loss**":

- (a) Until the lost or damaged property is actually repaired or replaced; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the "**loss**".

If the repairs or replacement are not made as soon as reasonably possible after the "**loss**", the value of the property will be actual cash value.

- b. "**Fine Arts**" as stated in a Schedule on file with us. If there is no schedule on file, valuation will be at fair market value as of the time of "**loss**".

- c. "**Stock**" as follows:

- (1) "**Finished Stock**" you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;
- (2) "**Merchandise**" you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;
- (3) "**Stock in process**" at the cost to replace plus labor and overhead expenses you have actually incurred.

- d. Glass at the cost of replacement with safety glazing material if required by law.

- e. "**Valuable Papers and Records**" at the cost of:

- (1) Blank materials for reproducing the records; and
- (2) Labor to transcribe or copy the records when there is a duplicate.

f. "Data" and "media" (other than prepackaged software programs)

The value of the property will be either:

- (1) The actual cost of reproducing or replacing the lost or damaged "data" and "media", if you actually reproduce or replace them; or
- (2) The cost to replace the blank "media" with substantially identical property.

g. Accounts Receivable

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the "loss" the following method will be used:
  - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the "loss" occurred; and
  - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" occurred or any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount is established.
  - (a) The amount of the accounts for which there is no "loss";
  - (b) The amount of the accounts that you are able to re-establish or collect;
  - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (d) All unearned interest and service charges.

h. Tenant's Improvements and Betterments at:

- (1) Replacement cost (without deduction for depreciation) of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the "loss" to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing, if others pay for repairs or replacement for your benefit and at no cost to you.

#### **8. Pair, Sets or Parts**

- a. Pair or set. In case of "loss" to any part of a pair or set we may:
  - (1) Repair or replace any part to restore the pair or set to its value before the "loss"; or
  - (2) Pay the difference between the value of the pair or set before and after the "loss"
- b. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **F. General Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

##### **1. Coinsurance**

If a Coinsurance percentage is shown in the Premium Property Program Declarations, the following condition applies.

- a. We will not pay the full amount of any "loss" if the value of Covered Property (except property in transit and Business Personal Property of others in your care, custody or control) at the time of "loss" times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for that property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of "loss" by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of "loss", before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the "loss" yourself.

Step (3) will not apply to property in transit or to Business Personal Property of others in your care, custody or control.

##### **Example No. 1 (Underinsurance)**

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000
The Deductible is	\$ 250

The Amount of "Loss" is \$ 40,000

**Step (1)** \$250,000 X 80% = \$200,000

(The minimum amount of insurance to meet your Coinsurance requirements.)

**Step (2)** \$100,000. ÷ \$200,000 = .50

**Step (3)** \$40,000 X .50 = \$ 20,000

**Step (4)** \$20,000. - \$250 = \$ 19,750

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

#### Example No. 2 (Adequate Insurance)

When:

The Value of the Property is \$250,000

The Coinsurance percentage for it is 80%

The Limit of Insurance for it is \$200,000

The Deductible is \$ 250

The Amount of "Loss" is \$ 40,000

**Step (1)** \$250,000 X 80% = \$200,000

(The minimum amount of insurance to meet your Coinsurance requirements.)

**Step (2)** \$200,000 ÷ \$200,000 = 1.00

**Step (3)** \$40,000 X 1.00 = \$ 40,000

**Step (4)** \$40,000 - \$250 = \$ 39,750

We will cover the \$39,750 "loss" in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

#### Example No. 3:

The Value of the property is:

"Building" at Premises No. 1 \$ 75,000

"Building" at Premises No. 2 \$100,000

Personal Property at Premises No. 2 \$ 75,000

\$250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for:

"Buildings" and Personal Property at

Premises No. 1 and 2. \$180,000

The Deductible is \$ 1,000

The Amount of "Loss" is:

"Building" at Premises No. 2 \$ 30,000

Personal Property at Premises No. 2 \$ 20,000

\$ 50,000

**Step (1)** \$250,000 X 90% = \$225,000

(The minimum amount of Insurance to meet your Coinsurance requirements)

**Step (2)** \$180,000 ÷ \$225,000 = .80

**Step (3)** \$50,000 X .80 = \$ 40,000

**Step (4)** \$40,000 - \$1,000 = \$ 39,000

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered "loss" to "buildings" to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive "loss" payment even if the mortgage holder has started foreclosure or similar action on the "buildings".
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the mortgage holder will still have the right to receive "loss" payment if the mortgage holder:
  - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
  - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All other terms of this Coverage Form will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any "loss" and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
  - (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

## 3. Other Insurance

The following is added to subparagraph 2. of Commercial Property Condition G., Other Insurance:

But this provision does not apply to "loss" to personal property of others in your care, custody or control.

#### **4. Policy Period, Coverage Territory**

Commercial Property Condition H., **Policy Period, Coverage Territory**, is replaced by the following:

**a.** We cover "loss" commencing:

- (1) During the Policy Period shown in the UltimateCover Program Declarations; and
- (2) Within the Coverage Territory.

**b.** The Coverage Territory is:

- (1) The United States of America; and
- (2) Canada.

#### **G. Definitions**

1. "**Buildings**" means buildings or structures.
2. "**Computer Virus**" means unauthorized intrusive codes or programming that are entered into covered "**hardware**", "**data**" and "**media**" and interrupt your operations at the described premises.
3. "**Consequential Damage**" means the decrease in value to the undamaged part or parts of Business Personal Property which is unmarketable as a complete product.
4. **Computer Property** means "**data**", "**hardware**" and "**media**".
  - a. "**Data**" means facts, figures, concepts, or instructions that are in a form that can be communicated, interpreted or processed by computer systems (including records of accounts receivable and "**valuable papers and records**" when they are converted into "**data**" form).
  - b. "**Hardware**" means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer "**media**", or manufacturing or production machinery or equipment.
  - c. "**Media**" means materials on which "**data**" can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.
- "**Data**" and "**media**" include pre-packaged software and any instructional manuals for that software.
5. "**Fine Arts**" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

6. "**Guard Dog**" means a dog that is trained to protect premises from intruders and kept on your premises when they are not open for business.
  7. "**Loss**" means accidental loss or damage.
  8. "**Money**" means:
    - a. Currency, coins and bank notes whether or not in current use; and
    - b. Travelers' checks, register checks and money orders held for sale to the public.
  9. "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
  10. "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
    - a. Tokens, tickets, revenue and other stamps whether or not in current use;
    - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

But does not include "money". Lottery tickets held for sale are not "**securities**".
  11. "**Stock**" means "**finished stock**", "**merchandise**" and "**stock in process**".
    - a. "**Finished Stock**" means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
    - b. "**Merchandise**" means goods kept for sale by you that are not the product of your manufacturing or processing operations.
    - c. "**Stock in Process**" means raw materials that have undergone any processing or manufacturing but which has not become "**finished stock**".
  12. "**Valuable Papers and Records**" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.
- But "**valuable papers and records**" does not mean "**money**" or "**securities**".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAUSES OF LOSS FORM**

Words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

### **A. Covered Causes of Loss**

**Covered Causes of Loss** means Risks of Direct Physical Loss unless the "loss" is:

1. Excluded in Section B., **Exclusions**; or
2. Limited in Section C., **Limitations**;

that follow.

### **B. Exclusions**

1. We will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

#### **a. Ordinance or Law**

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

#### **b. Earth Movement**

Any earth movement (other than sinkhole collapse or volcanic action, eruption, explosion or effusion), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if "loss" by fire or explosion results, we will pay for that resulting "loss".

This exclusion does not apply to the following:

- (1) Business Personal Property in transit or away from premises you own, lease, rent or control;
- (2) The Accounts Receivable Coverage Extension; or
- (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

#### **c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for "loss" caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Policy.

**d. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct "**loss**" caused by resulting fire if the fire would be covered under this Policy.

**e. Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if "**loss**" by a Covered Cause of Loss results, we will pay for that resulting "**loss**".

This exclusion does not apply to the following Coverages:

- (1) Accounts Receivable Coverage Extension;
- (2) "**Computer Property**" for interruption of electrical power supply when the cause of such event occurs within 1,000 feet of the premises; or
- (3) Utility Services - Direct Damage Additional Coverage Extension.

**f. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Flood**

"**Flood**".

But if "**loss**" by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting "**loss**".

This exclusion does not apply to the following:

- (1) Business Personal Property in transit or away from premises you own, lease rent or control;
- (2) The Accounts Receivable Coverage Extension; or
- (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

**2. We will not pay for "**loss**" caused by or resulting from any of the following:**

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if "**loss**" by fire or explosion results, we will pay for that resulting "**loss**".

This exclusion does not apply to "**computer property**".

- b. Delay, loss of use, loss of market or any other consequential loss.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations. This exclusion does not apply to "**computer property**".
- d. (1) Wear and tear;
  - (2) Rust, corrosion, fungus, decay, deterioration, spoilage, contamination, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion;
  - (5) Insects, birds, rodents or other animals;
  - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting "**loss**" caused by elevator collision;
  - (7) Dampness or dryness of atmosphere; changes in or extremes of temperature; freezing or thawing.

Paragraphs d. (3), (4), (6) and (7) do not apply to "**computer property**".

But if "**loss**" by the "**specified causes of loss**" or building glass breakage results, we will pay for that resulting "**loss**".

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if "**loss**" by fire or combustion explosion results, we will pay for that resulting "**loss**". We will also pay for "**loss**" caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - f. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air-conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
    - (1) You do your best to maintain heat in the "**buildings**"; or
    - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- This exclusion does not apply to "**computer property**".
- g. Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
    - (1) Acting alone or in collusion with others; or
    - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to:

- (1) Acts of destruction by your employees (but theft by employees is not covered);
- (2) Property in the custody of a carrier for hire (provided the carrier is not in collusion with you, any of your partners, directors, trustees or authorized representatives); or
- (3) **"Loss"** to **"computer property"** (provided your employees are not in collusion with you, any of your partners, directors, trustees or authorized representatives).

h. Rain, snow, ice or sleet to personal property in the open.

i. Collapse, except as provided below in the Additional Coverage for Collapse. But if **"loss"** by any of the Covered Causes of Loss results at the described premises, we will pay for that resulting **"loss"**.

j. Discharge, dispersal, seepage, migration, release or escape of **"pollutants"**.

But we will pay for resulting **"loss"** to Covered Property when the discharge, dispersal, seepage, migration, release or escape of **"pollutants"** is caused by any of the **"specified causes of loss"**.

k. Processing or work upon the property.

But we will pay for **"loss"** caused by resulting fire or explosion.

This exclusion does not apply to **"computer property"**.

l. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of **"money"**, **"securities"** or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

m. Bookkeeping, accounting or billing errors or omissions.

n. Unexplained disappearance. This exclusion does not apply to **"computer hardware"**.

o. Shortage found upon taking inventory or audit. This exclusion does not apply to **"computer hardware"**.

p. Electrical or magnetic disturbance or erasure of records of accounts receivable that have been converted into electronic format, when such **"loss"** is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts; or
- (3) An occurrence that took place more than 1,000 feet from your premises.

But we will pay for such **"loss"** caused by lightning.

q. Voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

- r. Changes in your electrical power supply to "computer property", including interruption of power, power surge, blackout or brownout, if the cause of such event originates more than 1,000 feet from any of the premises listed in the Declarations, Extension of Declarations or attached Schedule.
  - 3. We will not pay for "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
    - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss".
    - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
    - c. Faulty, inadequate or defective:
      - (1) Planning, zoning, development, surveying, siting;
      - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
      - (3) Materials used in repair, construction, renovation or remodeling; or
      - (4) Maintenance;
- Of part or all of any property on or off the described premises.
- This exclusion does not apply to "computer property".

#### 4. Special Exclusions

The following provisions apply only to the Coverage Forms listed below, if these Coverage Forms are attached to this Policy.

##### a. Business Income, Extra Expenses and Business Income with Extra Expenses Coverage Forms.

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of finished "stock"; or
  - (b) The time required to reproduce finished "stock".

This exclusion does not apply to Extra Expenses.

- (2) Any loss caused by or resulting from direct physical "loss" to communication antennas or satellite dishes, including their lead-in wiring masts or towers.
- (3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations" due to interference at the premises of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- (4) Any Extra Expenses caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.
- (6) Any loss caused by or resulting from error in machine programming or instructions to any machine.
- (7) Any loss caused by or resulting from direct physical "loss" to property at locations not specifically identified. This exclusion does not apply to coverage provided to Business Income from Dependent Property - Additional Coverage.
- (8) Any loss caused by or resulting from direct physical "loss" to:
- (a) "Buildings"; or
- (b) Additions to existing "buildings";
- That are under the course of construction.
- b. Legal Liability Coverage Form**
- (1) The following Exclusions do not apply to insurance under this Coverage Form:
- (a) Paragraph B. 1.a., Ordinance or Law;
- (b) Paragraph B. 1. c., Governmental Action;
- (c) Paragraph B. 1.d., Nuclear Hazard;
- (d) Paragraph B.1.e., Utility Service; and
- (e) Paragraph B. 1. f., War and Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit" or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

**(b) Nuclear Hazard**

We will not defend any claim or "suit" or pay any damages, "loss", expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Limitations**

1. We will not pay for "**loss**" to:
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for "**loss**" to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any "**buildings**", or to personal property in "**buildings**", caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The "**buildings**" first sustain damage by a Covered Cause of Loss to their roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The "**loss**" is caused by or results from thawing of snow, sleet or ice on the "**buildings**".
2. For "**loss**" by theft, the following types of property are covered only up to the Limits of Insurance shown:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This Limit of Insurance does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
3. We will not pay for "**loss**" to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, molded, rusted, frosted, rotted, soured, steamed or changed in flavor.

But we will pay for such "**loss**" caused by: the "**specified causes of loss**"; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

**D. Additional Coverage - Collapse**

We will pay for "**loss**" caused by or resulting from risks of direct physical "**loss**" involving collapse of "**buildings**" or any part of "**buildings**" caused only by one or more of the following:

1. The "**specified causes of loss**" or breakage of building glass, all only as insured against in this form;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;
5. Weight of rain that collects on a roof.

We will not pay for "**loss**" to the following types of property, if otherwise covered in this Policy, under items 2., 3., 4. and 5., unless the "**loss**" is a direct result of the collapse of "**buildings**"; outdoor communication antennas or satellite dishes, including their masts or lead - in wiring; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; beach or diving platforms or appurtenances; retaining walls.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Limits of Insurance provided by this Policy.

#### **E. Additional Coverage Extensions**

##### **1. Water Damage, Other Liquids, Powder or Molten Material Damage**

If "**loss**" caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of "**buildings**" to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

##### **2. Utility Services - Direct Damage**

We will pay for direct physical "**loss**" caused by interruption of utility service to the described premises. The interruption must be caused by direct physical "**loss**" by any of the Covered Causes of Loss to the following types of property not on the described premises supplying water, communication and power to the described premises.

**Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises.

- a. Utility Generating Plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission Lines.

But not overhead transmission lines.

**Water Supply Services**, meaning the following types of property supplying water to the described premises.

- a. Pumping Stations; and

b. Water mains.

**Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- a. Communication transmission lines, including optical fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

But not overhead transmission lines.

The most we will pay under this Coverage Extension for the sum of all occurrences at all premises during each separate 12 month period of this policy is \$10,000.

This Coverage Extension is in addition to the Limits of Insurance provided by this Policy.

### **3. Voluntary Parting**

We will pay for "**loss**" caused by or resulting from voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

The most we will pay under this Coverage Extension in any one occurrence is \$10,000.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

## **F. Definitions**

1. "**Buildings**" means buildings or structures.

2. "**Computer Property**" means "**data**", "**hardware**" and "**media**".

a. "**Data**" means facts, figures, concepts or instructions that are in a form that can be communicated, interpreted, or processed by computer systems (including records of accounts receivable and "**valuable papers and records**" when they are converted into "**data**" form).

It does not include Valuable Papers unless converted to electronic form.

b. "**Hardware**" means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer "**media**", or production machinery or equipment.

c. "**Media**" means materials on which "**data**" can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

3. "**Flood**" means:

a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or

b. Mudslide or mudflow.

4. "**Loss**" means accidental loss or damage.
5. "**Money**" means:
  - a. Currency, coins and bank notes whether or not in current use; and
  - b. Travelers' checks, register checks and money orders held for sale to the public.
6. "**Operations**" means:
  - a. Business activities you perform at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income including "**Rental Value**" or "**Rental Value**" applies.
7. "**Period Of Restoration**" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical "**loss**" for Business Income Coverage; or;
    - (2) Immediately after the time of direct physical "**loss**" for Extra Expense Coverage;
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.
  - c. "**Period of Restoration**" does not include any increased period required due to the enforcement of any ordinance or law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "**pollutants**".
- The expiration date of this policy will not cut short the "**period restoration**".
8. "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. "**Rental Value**" means
  - a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
  - b. Amount of all charges which are legal obligation of the tenant(s) and which would otherwise be your obligations; and
  - c. Fair rental value of any portion of the described premises which is occupied by you.

PI-ULT-008 11.98

10. "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "**money**" or other property and includes:

- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

But does not include "**money**". Lottery tickets held for sale are not "**securities**".

11. "**Specified Causes of Loss**" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This Cause of Loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land man-made underground cavities.

b. Falling objects does not include "**loss**" to:

- (1) Personal property in the open; or
- (2) The interior of "**buildings**", or property inside "**buildings**", unless the roof or an outside wall of the "**buildings**" is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

12. "**Stock**" means "**finished stock**", "**merchandise**", and "**stock in process**".

- a. "**Finished Stock**" means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
- b. "**Merchandise**" means goods kept for sale by you that are not the product of your manufacturing or processing operations.
- c. "**Stock in Process**" means raw materials that have undergone any processing or manufacturing but which have not become "**finished stock**".

13. "**Suit**" includes an arbitration proceeding to which you must submit or submit with our consent.

## BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us", and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G., Definitions.

### COVERAGE SUMMARY

**Coincurrence Option** - applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coincurrence Option
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SEE SCHEDULE

**Optional Coverages** - applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period of Indemnity (Days)	Agreed Value Amount (\$)
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SEE SCHEDULE

#### A. Coverage

1. Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Coverage Summary above:

- (i) Business Income including "Rental Value."
- (ii) Business Income other than "Rental Value."
- (iii) "Rental Value."

If option (i) above is selected, the term Business Income will include "Rental Value." If option (iii) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Form apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical "loss" to property at the premises described in the Declarations, or within 1000 feet of the premises, caused by or resulting from any of the Covered Causes of Loss.

If you are a tenant, your premises is the portion of "**buildings**" which you rent, lease or occupy, including:

- a. All routes within "**buildings**" to gain access to the described premises; and
- b. Your personal property within 1000 feet of the premises.

## **2. Business Income**

**Business Income** means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

## **3. Covered Causes Of Loss**

See the Causes of Loss Form.

## **4. Additional Coverages**

### **a. Extra Expenses**

Extra Expenses means necessary expenses you incur during the "**period of restoration**" that you would not have incurred if there had been no direct physical "**loss**" to property caused by or resulting from any of the Covered Causes of Loss.

(1) We will pay any Extra Expenses to avoid or minimize the suspension of business and to continue "**operations**":

- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including:
  - (i) Relocation expenses; and
  - (ii) Costs to equip and operate the replacement or temporary locations.

(2) We will pay any Extra Expenses to minimize the suspension of business if you cannot continue "**operations**".

(3) We will pay any Extra Expenses to:

- (a) Repair or replace any property; or
- (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### **b. Civil Authority**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expenses you incur caused by action of Civil Authority that prohibits access to the described premises due to direct physical "**loss**" to property other than at the described premises caused by or resulting from any of the Covered Causes of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) Three consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

Whichever is later.

#### c. Alterations

We will pay for the actual loss of Business Income you sustain due to direct physical "**loss**" at the described premises caused by or resulting from any of the Covered Causes of Loss to:

- (1) Alterations within, or on the exterior of, existing "**buildings**"; and
- (2) Machinery, equipment, supplies or building materials located on or within 1000 feet of the described premises and used in the alterations.

If such direct physical "**loss**" delays the start of "**operations**," the "**period of restoration**" will begin on the date "**operations**" would have begun if the direct physical "**loss**" had not occurred.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

#### d. Extended Business Income

##### (1) Business Income Other Than "**Rental Value**"

If the necessary suspension of your "**operations**" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "**finished stock**") is actually repaired, rebuilt or replaced and "**operations**" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "**operations**" with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical "**loss**" had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Causes of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical "**loss**" at the described premises caused by or resulting from any of the Covered Causes of Loss.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**(2) "Rental Value"**

If the necessary suspension of your "**operations**" produces a "**Rental Value**" loss payable under this policy we will pay for the actual loss of "**Rental Value**" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "**Rental Value**" that would have existed if no direct physical "**loss**" had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "**Rental Value**" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "**Rental Value**" must be caused by direct physical "**loss**" at the described premises caused by or resulting from any of the Covered Cause of Loss.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**e. Business Income From Dependent Properties**

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "**operations**" during the "**period of restoration**." The suspension must be caused by direct physical "**loss**" at the premises of a "**contingent business property**," caused by or resulting from any of the Covered Causes of Loss. But we will not pay more than .3% (three-tenths of one percent) of the Business Income Limit of Insurance for each day's suspension of "**operations**" at a described premises due to direct physical "**loss**" at any one "**contingent business property**."

The most we will pay under this Additional Coverage is \$25,000 per Policy Period.

This Additional Coverage does not apply to "**contingent business property**" for which you have more specific insurance either under this policy or another.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**f. Property in Transit**

In the event of direct physical "loss" to your property in transit within the Coverage Territory, we will pay for loss of Business Income and necessary Extra Expenses you incur during the "period of restoration".

This Additional Coverage does not apply to property of others in your care, custody or control.

The most we will pay under this Additional Coverage in any one occurrence is \$25,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**5. Coverage Extension - Newly Acquired Premises**

- a. We will pay for the actual loss of Business Income you sustain caused by direct physical "loss" to property at any premises you acquire other than at fairs or exhibitions.
- b. The most we will pay for loss under this Extension is 10% of the sum of the Limits of Insurance for Business Income shown in the Coverage Summary above, but not more than \$100,000 at each premises.
- c. Insurance under this Coverage Extension for each newly acquired premises will end when any of the following first occurs:
  - (1) This policy expires;
  - (2) 90 days expire after you acquire the property; or
  - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Coverage Extension is in addition to the applicable Limits of Insurance provided by this Coverage Form. The Coinsurance Option does not apply to this Extension.

**B. Exclusions**

See the Causes of Loss Form.

**C. Limits of Insurance**

The most we will pay for loss in any one occurrence:

1. For the Business Income From Dependent Properties Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.
2. For the Coverage Extension - Newly Acquired Premises is the Limit of Insurance applicable to that Coverage Extension.
3. For all other coverages provided under this Coverage Form is the applicable Limit of Insurance shown in the Coverage Summary.

**D. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Appraisal**

If we and you disagree on the amount of net income and operating expenses or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of net income and operating expenses or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**2. Duties in the Event of Loss**

You must see that the following are done in the event of loss:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the direct physical "loss". Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the direct physical "loss" occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e. As often as may be reasonably required, permit us to inspect the property proving the "loss" and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- f. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
- g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- h. Cooperate with us in the investigation or settlement of the claim.
- i. If you intend to continue your business, you must resume all or part of your "**operations**" as quickly as possible.

### **3. Loss Determination**

- a. The amount of Business Income loss will be determined based on:
  - (1) The net income of the business before the direct physical "**loss**" occurred;
  - (2) The likely net income of the business if no physical "**loss**" occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "**operations**" with the same quality of service that existed just before the direct physical "**loss**"; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.

### **b. Resumption of Operations**

We will reduce the amount of your Business Income loss to the extent you can resume your "**operations**," in whole or in part, by using:

- (1) Damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere;
- (2) Any other available sources of material or outlets for your product.
- c. If you do not resume "**operations**," or do not resume "**operations**" as quickly as possible, we will pay based on the length of time it would have taken to resume "**operations**" as quickly as possible.

### **4. Loss Payment**

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all of the terms applicable to this Coverage Form; and
- b. (1) We have reached agreement with you in the amount of loss; or
  - (2) An appraisal award has been made.

### **E. Coinsurance Option**

PI-ULT-010 11.98

1. If a Coinsurance percentage is shown in the Coverage Summary, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

a. We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

(1) The Coinsurance percentage shown in the Coverage Summary; times

(2) The sum of:

(a) The net income (net profit or loss before income taxes); and

(b) All operating expenses, including payroll expenses;

that would have been earned or incurred (had no "loss" occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

b. Instead, we will determine the most we will pay using the following steps:

(1) Multiply the net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

(2) Divide the Limit of Insurance for the described premises by the figure determined in step 1; and

(3) Multiply the total amount of loss by the figure determined in step 2.

We will pay the amount determined in step 3., or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

2. In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

a. Prepaid freight - outgoing;

b. Returns and allowances;

c. Discounts;

d. Bad debts;

e. Collection expenses;

f. Cost of raw stock and factory supplies consumed (including transportation charges);

g. Cost of merchandise sold (including transportation charges);

h. Cost of other supplies consumed (including transportation charges);

i. Cost of services purchased from outsider (not employees) to resell, that do not continue under contract;

j. All ordinary payroll expense excluded (if form PI-ULT-011 is attached); and

Page 8 of 13

- k. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion--not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

**Example No. 1 (Underinsurance):**

When:

The net income and operating expenses for the  
12 months following the inception, or last  
previous anniversary date, of this policy at the  
described premises would have been \$400,000  
The Coinsurance percentage is 50%  
The Limit of Insurance is \$150,000  
The amount of loss is \$ 80,000

$$\begin{aligned} \text{Step 1: } \$400,000 &\times 50\% = \$200,000 \\ (\text{the minimum amount of insurance to meet your Coinsurance requirements}) \\ \text{Step 2: } \$150,000 &\div \$200,000 = .75 \\ \text{Step 3: } \$80,000 &\times .75 = \$60,000 \end{aligned}$$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

**Example No. 2 (Adequate Insurance):**

When:

The net income and operating expenses for the  
12 months following the inception, or last  
previous anniversary date, of this policy at the  
described premises would have been \$400,000  
The Coinsurance percentage is 50%  
The Limit of Insurance is \$200,000  
The amount of loss is \$ 80,000

$$\begin{aligned} \text{Step 1: } \$400,000 &\times 50\% = \$200,000 \\ (\text{the minimum amount of insurance to meet your Coinsurance requirements}) \\ \text{Step 2: } \$200,000 &\div \$200,000 = 1.00 \\ \text{Step 3: } \$80,000 &\times 1.00 = \$80,000 \end{aligned}$$

We will pay the \$80,000 loss. No penalty applies.

This condition does not apply to the Extra Expense Additional Coverage.

**3. Agreed Value**

a. To activate this Optional Coverage:

(1) A Business Income Work Sheet must be made a part of this policy and must show financial data for your "**operations**":

(a) During the 12 months prior to the date of the Business Income Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) An Agreed Value must be shown in the Coverage Summary. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Coverage Summary; multiplied by

(b) The amount of Net Income and Operating Expenses for the following 12 months you report on the Business Income Work Sheet.

b. The Coinsurance Option is suspended until the expiration date of this policy.

c. We will reinstate the Coinsurance Option automatically if you do not submit a new Business Income Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

**Example:**

When:

The Limit of Insurance is	\$100,000
The Agreed Value is	\$200,000
The amount of loss is	\$ 80,000

Step (a) \$100,000 + \$200,000 = .50  
Step (b) .50 X \$80,000 = \$40,000

We will pay \$40,000. The remaining \$40,000 is not covered.

## F. Optional Coverages

If shown in the Coverage Summary, the following Optional Coverages apply separately to each item.

### 1. Maximum Period of Indemnity

- a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
  - (1) The amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit of Insurance shown in the Coverage Summary.

### 2. Monthly Limit of Indemnity

- a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Coverage Summary for this Optional Coverage.

#### Example:

When:

The Limit of Insurance is	\$120,000
The fraction shown in the Coverage	
Summary for this Optional Coverage is	1/4
The most we will pay for loss in each period	
of 30 consecutive days is:	
\$120,000 X 1/4 =	\$30,000

If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$90,000

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

### 3. Extended Period of Indemnity

Under paragraph A.4.d., Extended Business Income, the number "60" in subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Coverage Summary for this Optional Coverage.

## G. Definitions

1. "**Buildings**" means buildings or structures.

2. "**Contingent Business Property**" means property operated by others you depend on to:

- a. Deliver materials or services (other than water, communications or power supply) to you, or to others for your account (Contributing Locations);
- b. Accept your products or services (Recipient Locations); or
- c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations).

3. "**Finished Stock**" means stock you have manufactured.

"**Finished Stock**" also includes whiskey and alcoholic products being aged.

"**Finished Stock**" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.

4. "**Loss**" means accidental loss or damage.

5. "**Operations**" means:

- a. Business activities you perform at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "**Rental Value**" or "**Rental Value**" applies.

6. "**Period of Restoration**" means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical "**loss**" for Business Income coverage; or
- (2) Immediately after the time of direct physical "**loss**" for Extra Expense coverage; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

c. "**Period of Restoration**" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "**pollutants**."

The expiration date of this policy will not cut short the "**period of restoration**."

7. "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

8. "**Rental Value**" means:

- a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
- b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
- c. Fair rental value of any portion of the described premises which is occupied by you.

Policy Number: PHPK996169  
Named Insured: IVY WALK AT VININGS

**SCHEDULE -**  
**Business Income with Extra Expense Coverage Form**

**Coverage Summary**

**Coinsurance Option – applicable only if a percentage is indicated in the schedule below.**

Premises No.	Building No.	Coverage	Limit of Insurance	Coinsurance Option
0001	0001	(i)	\$ 372,000	100%
0002	0001	(i)	\$ 132,000	100%

Policy Number: PHPK996169

Named Insured: IVY WALK AT VININGS

**SCHEDULE -**

**Business Income with Extra Expense Coverage Form**

**Coverage Summary**

**Optional Coverages – applicable only when entries are made in the schedule below.**

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period Of Indemnity (Days)	Agreed Value Amount (\$)
0001	0001	NONE		NONE	
0002	0001	NONE		NONE	

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BOILER AND MACHINERY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**Property Coverage Form**  
**Causes of Loss Form**  
**Business Income and Extra Expense Coverage Form**  
**Business Income Coverage Form**  
**Extra Expenses Coverage Form**

### **SCHEDULE**

<b>Coverage Description</b>	<b>Limit of Insurance</b>
Property Damage	\$
Property Damage and Business Income/Extra Expense	\$ 59,246,000
Business Income and Extra Expense	\$
Business Income	\$
Extra Expense	\$

**Sublimits of Insurance applicable to each covered location. These sublimits are part of and not in addition to the Limits of Insurance shown above.**

<b>Coverage</b>	<b>Sublimit of Insurance</b>
Ammonia Contamination	\$ 25,000
Water Damage	\$ 25,000
Hazardous Substances	\$ 25,000
Spoilage	\$ 25,000
Expediting Expense	\$ 25,000
Newly Acquired Location Coverage	\$ 1,000,000
Off Premises Service Interruption	
Business Income	\$ 25,000
Business Income and Extra Expense	\$ 25,000
Extra Expense	\$
Spoilage	\$ 25,000
Ordinance or Law	\$ 100,000

### **Deductibles**

<b>Coverage</b>	<b>Deductible</b>
Property Damage	\$ 2,500
Business Income and Extra Expense	72 hours
Business Income	hours
Extra Expense	\$
Spoilage	Combined with PD
Off Premises Service Interruption	72 hours
Ammonia Contamination	Combined with PD
Other ( )	\$
<b>Premium</b>	<b>\$ 3,709</b>

**A. Coverage**

For the purposes of this endorsement, the following exclusions and limitations, or parts thereof, are deleted as respects to the Boilers, Pressure Vessels and Machinery and Equipment at the described premises:

- Exclusion B.2.a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, wiring or wires.
- Exclusion B.2.d.(2) The word latent is deleted.
- Exclusion B.2.d.(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
- Exclusion B.2.e. Explosion of steam boilers, steam pipes, steam engines, steam turbines owned or leased by your, or operated under your control.
- Limitation C.1.a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from a condition or event inside such equipment.
- Limitation C.1.b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

**B. Exclusions**

As respects the Boiler and Machinery coverage provided by this endorsement, coverage shall not include "loss" caused by or resulting from:

1. Damage while any boiler, fired or unfired vessel or electrical steam generator is undergoing a hydrostatic or gas pressure test;
2. Damage while any type of electrical or electronic equipment is undergoing an insulation breakdown test;
3. Damage to or destruction of media, however caused, and regardless of the function of that media;
- 4/ Depletion, deterioration, corrosion, erosion or wear or tear, and other gradually developing conditions. But if "loss" or damage otherwise covered by this endorsement ensues, we will pay for such ensuing "loss";

**C. Limits**

The most we will pay under this endorsement for direct "loss" to Covered Property is the Property Damage Limit of Insurance shown in the schedule of this endorsement. If Business Income Coverage, Extra Expense Coverage, or Business Income and Extra Expense Coverage is included in the policy to which this endorsement is a part, the most we will pay for those extensions of coverage under this endorsement are the respective Limits of Insurance shown in the schedule of this endorsement.

All losses covered by this endorsement occurring at any one location which manifests themselves at the same time and are the result of the same cause will be considered a single loss. If an initial loss covered by this endorsement causes other losses covered by this endorsement, all will be considered a single loss.

**D. Extra Expediting**

This endorsement is extended to cover the reasonable extra cost of temporary repair and of expediting repair or replacement of Covered Property as a direct result of loss otherwise covered by this endorsement. The most we will pay under this extension is the amount shown as the Expediting Expense Sublimit in the schedule of this endorsement.

**E. Ammonia Contamination**

If Covered Property is contaminated by ammonia as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Ammonia Contamination Sublimit in the schedule of this endorsement.

**F. Water Damage**

If Covered Property is damaged by water as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Water Damage Sublimit in the schedule of this endorsement.

**G. Hazardous Substances**

If covered Property is contaminated by a hazardous substance as the direct result of loss otherwise covered by this endorsement, the most we will pay for expenses to clean up or dispose of such property is the amount shown as the Hazardous Substances Sublimit in the schedule of this endorsement.

**H. Spoilage**

If Covered Property spoils from lack of power, light, heat, steam, or refrigeration as a direct result of the Breakdown of the insured's Boilers, Pressure Vessels, Machinery or Equipment, the most we will pay for this kind of damage, including salvage expenses, is the amount shown as the Spoilage Sublimit in the schedule of this endorsement.

**I. Newly Acquired Locations**

The coverages of this endorsement are extended to the interest of the named insured in Boilers, Pressure Vessels, Machinery and Equipment, not otherwise insured, at newly constructed, acquired, or leased locations within the policy coverage territory and which have been previously undeclared. The most we will pay under this extension for loss or damage at any one location is the amount shown as the Newly Acquired Location Coverage Sublimit in the schedule of this endorsement.

**J. Off Premises Service Interruption**

If Off Premises Service Interruption Coverage is included in the policy of which this endorsement is a part, the coverage extensions of this endorsement for Business Income and/or Extra Expense and/or Spoilage are further extended to include loss caused by Boilers, Pressure Vessels, Machinery and Equipment, whether or not they are located on Insured's premises, owned by a public utility or other company and used to directly supply electrical power, communications services, heating, gas, water, steam or air conditions to the described premises.

**K. Deductibles**

There shall be liability under this endorsement only when the amount of loss exceeds the Boiler and Machinery Deductibles shown in the schedule of this endorsement. If no Boiler and Machinery Deductibles are shown, coverage under this endorsement is subject to the policy deductible.

If an hour deductible is shown in the schedule, we will only pay for loss or damage you sustain after the first specified number of hours immediately following the physical loss to the Covered Property.

If a multiplier is shown in the schedule of this endorsement, the deductible is determined by multiplying the One Hundred Percent Average Daily Value (100% ADV) times the multiplier. The 100% ADV will be obtained by dividing the total net profits, fixed charges and expenses for the entire location that would have been earned had no physical loss occurred during the period of interruption of business by the number of working days in that period. No reduction shall be made for net profits, fixed charges and expenses not being earned, or in the number of working days, because of the physical loss or damage or any other scheduled or unscheduled shutdowns during the period of interruptions.

If a percent of loss deductible is indicated in the schedule of this endorsement, we will not be liable for the indicated percentage of loss or damage insured under this endorsement. If the dollar amount of such percentage is less than the indicated minimum deductibles, the minimum deductible will be the applicable deductible.

#### **L. Suspension**

If any Boiler, Pressure Vessel, Machinery or Equipment covered by this endorsement is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement for that equipment by written notice mailed or delivered to:

1. Your last known address; or
2. The address where the affected equipment is located.

Once suspended in this way, your insurance can be reinstated only by endorsement.

If we suspend your insurance, you will get a pro rata refund for the affected equipment. But the suspension will be effective even if we have not yet made or offered a refund.

#### **M. Mechanical or Electrical Breakdown**

With respect to coverage provided by this endorsement, Mechanical or Electrical Breakdown means a sudden and accidental breakdown of covered Boilers, Pressure Vessels, Machinery and Equipment. At the time breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the affected equipment or part of the affected equipment.

Mechanical or Electrical Breakdown does not mean or include any of the following:

1. Breakdown of any structure or foundation.
2. Breakdown of any boiler setting, insulating or refractory material.
3. Breakdown of a power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, well casing, penstock or draft tube.
4. Breakdown of any elevator, crane, hoist, escalator or conveyor, but not including any pressure vessel or electrical equipment used with such a machine.
5. Breakdown of Boilers, Pressure Vessels, Machinery or Equipment manufactured or held for sale by you.
6. Breakdown of catalyst.

PI-ULT-023 07.01

7. Breakdown of any oven, stove, furnace, incinerator, pot or kiln.
8. Breakdown of any buried vessel or piping.
9. Breakdown of a felt, wire, screen, die, mold, form, pattern, extrusion plate, swing hammer, grinding disc, cutting blade, chain, cable, belt, rope, clutch plate, brake pad, nonmetallic part or any part or tool subject to frequent, periodic replacement.
10. Breakdown, of any nonmetallic vessel, unless it is constructed and used in accordance with the American Society of Engineers (A.S.M.E.) code.
11. Breakdown of sewer piping, piping forming a part of a fire protection system or water piping other than:
  - a. Feed water piping between any boiler and its feed pump or injector; or
  - b. Boiler condensate return piping; or
  - c. Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes.
12. Breakdown of a part of a Boiler, Pressure Vessel or Electric Steam Generator that:
  - a. Does not contain steam or water; or
  - b. Is not under pressure of contents of the vessel; or
  - c. Is not under internal vacuum.
13. The functioning of any safety or protective devices.

## **UltimateCover Program**

**This Endorsement Changes The Policy. Please Read It Carefully.**

### **Condominium Association Coverage Endorsement**

This endorsement modifies coverage provided under the following:

#### **Property Coverage Form**

##### **A. Covered Property**

Section A.1., **Covered Property**, is deleted and replaced by the following:

###### **1. Covered Property**

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

###### **a. Your Business Personal Property:**

- (1) Located in or on the "buildings" described in the Declarations or within 1,000 feet of the described premises;
- (2) In transit; and
- (3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

- (a) Property owned by you or owned indivisibly by all unit-owners, consisting of

- (i) **"Fine Arts"**

If the total value of "Fine Arts" are over \$25,000 they must be listed in a schedule on file with us;

- (ii) **"Computer Property"**

- (iii) All other personal property;

- (iv) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and

- (v) Signs;

- (b) Similar property of others in your care, custody or control; and

- (c) Labor, materials or services furnished or arranged by you on personal property of others;

But Your Business Personal Property does not include property owned only by a unit-owner.

b. "Buildings" described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment.
- (4) Personal property owned by you that is used to maintain or service the "buildings" or their premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units; and
  - (e) Alarm, communication and monitoring systems.
- (5) If not covered by other insurance:
  - (a) Alterations and repairs to the "buildings"; and
  - (b) Materials, equipment, supplies, and temporary structures, on or within 1,000 feet of the described premises, used for making alterations or repairs to the "buildings".
- (6) Any of the following types of property contained within a unit, if your Condominium Association Agreement requires you to insure it:
  - (a) Your fixtures, improvements and alterations that are a part of the "buildings";
  - (b) Your appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and
  - (c) Fixtures, installations or additions owned by unit-owners and comprising that part of the "buildings" within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual units:
    - (i) Initially installed in accordance with the original plans and specifications, or replacements of like kind or quality as those initially installed; or
    - (ii) As existed at the time the unit was initially conveyed, if the original plans and specifications are not available.
  - (d) Floor coverings, wall coverings and ceiling coverings within individual units, if your Condominium Association Agreement required you to insure it.

(e) Additional property as described in the Schedule, or in the Declarations.

(7) But "buildings" do not include:

- (a) Floor coverings, wall coverings and ceiling coverings within individual units except as provided under b.(6)(d) above;
- (b) Electrical fixtures, appliances, air conditioner or heating equipment, water heaters or built-in cabinets which are located within an individual unit and which the unit-owner is required to repair or replace, and
- (c) Personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in paragraph b.(6) above.

With respect to coverage for fixtures, installations and additions provided in paragraph b.(6) above, each unit-owner will be considered an additional insured.

B. The following are deleted from Section A.4., Additional Coverages:

- h. Theft Damage to "Buildings";**
- i. Brands and Labels; and**
- j. Consequential Damage.**

C. The following are added to Section E., Loss Conditions:

**9. Unit-Owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

**10. Waiver of Rights of Recovery**

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LIMITATIONS ON FUNGUS, WET ROT, DRY ROT AND BACTERIA**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM  
CAUSES OF LOSS FORM**

I. **CAUSES OF LOSS FORM**, Section E. **Additional Coverage Extensions** is amended to include the following:

**A. Coverage**

1. We will pay for "loss" or damage by "fungus," wet or dry rot or bacteria that is the result of fire or lightning.
2. a. We will also pay for loss or damage by "fungus," wet or dry rot or bacteria that is the result of one or more of the following causes that occurs during the policy period. Coverage applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - (1) A "specified cause of loss" other than fire or lightning;
  - (2) Water that backs up or overflows from a sewer, drain or sump; or
  - (3) Water under the ground surface pressing on, or flowing or seeping through:
    - (a) Foundations, walls, floors or paved surfaces;
    - (b) Basements, whether paved or not;
    - (c) Doors, windows or other openings; or
  - (4) "Flood," if the Flood Endorsement applies to the affected premises.
- b. The term loss or damage as used in Item 2.a. means:
  - (1) Direct physical "loss" or damage to Covered Property caused by "fungus," wet or dry rot or bacteria, including the cost of removal of the "fungus," wet or dry rot or bacteria;
  - (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus," wet or dry rot or bacteria; and
  - (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus," wet or dry rot or bacteria are present.
3. The amount we will pay for coverage described in 2.a. above is limited as described in **B. Limits of Insurance** and **C. Additional Conditions – Business Income and/or Extra Expense**.

## B. Limits of Insurance

1. The most we will pay for all “**loss**” or damage for coverage described in A.1. above is the Limit of Insurance for Covered Property shown in the Declarations.
  2. a. The most we will pay for all loss or damage for coverage described in A. 2. above is limited to \$15,000:
    - (1) Regardless of the number of claims arising out of all occurrences which take place in a 12 month period, starting with the beginning of the present annual policy period; and
    - (2) Even if the “**fungus**,” wet or dry rot or bacteria continues to be present or active, or recurs in a later policy period.
  - b. The \$15,000 Limit of Insurance is included within, and is not in addition to, the applicable Limit of Insurance for any Covered Property.
  - c. If there is covered “**loss**” or damage to Covered Property not caused by “**fungus**,” wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that “**fungus**,” wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this endorsement.
  - d. The terms of this Limited Coverage do not increase or reduce the coverage provided under:
    - (1) Paragraph D. Additional Coverage – Collapse; or
    - (2) Paragraph E. 1. Water Damage, Other Liquids, Powder or Molten Material Damage
- In the **CAUSES OF LOSS FORM**.

## C. Additional Conditions – Business Income and/or Extra Expense

Under Item A. 2. above, the following applies only if the Business Income and/or Extra Expense coverage applies to the described premises and only if the suspension of “**operations**” satisfies all terms and conditions of the applicable **BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE FORM**:

1. If the “**specified cause of loss**” which resulted in “**fungus**,” wet or dry rot or bacteria does not in itself necessitate a suspension of “**operations**,” but such suspension is necessary due to loss or damage to property caused by “**fungus**,” wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
2. If a covered suspension of “**operations**” was caused by “**loss**” or damage other than “**fungus**,” wet or dry rot or bacteria, but remediation of “**fungus**,” wet or dry rot or bacterial prolongs the “**period of restoration**,” we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the “**period of restoration**”), but such coverage is limited to 30 days. The days need not be consecutive.

## II. CAUSES OF LOSS FORM, Section B. Exclusions, is amended as follows:

**A.** Exclusion **2.d. (2)** is deleted in its entirety and replaced with the following:

- (2) Rust, corrosion, decay, deterioration, spoilage, contamination, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

**B.** The following exclusions are added:

1. Unless as provided for in Section **I.A. Coverage** above, we will not pay for "loss" or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria. Such "loss" or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

But if "fungus," wet or dry rot or bacteria results in a cause of loss covered by this endorsement, we will pay for the "loss" or damage caused by that covered cause of loss.

2. We will not pay for "loss" or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
3. We will not pay under:
  - a. The **Ordinance or Law** coverage extension in the **PROPERTY COVERAGE FORM**; or
  - b. The **ORDINANCE OR LAW COVERAGE** endorsement, if it applies to this policy:

For:

- (1) "Loss" or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria; or
- (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus," wet or dry rot or bacteria.

**III. CAUSES OF LOSS FORM**, Section **C. Limitations**, Paragraph 3. is deleted and replaced by the following:

3. We will not pay for "loss" to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, frosted, rotted, soured, steamed, or changed in flavor.

But we will pay for such "loss" caused by: the "**specified causes of loss**"; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

**IV. CAUSES OF LOSS FORM**, Section **F. Definitions**, is amended by adding the following:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

PI-ULT-072 GA (10/10)

**V.** The following explanation is added with respect to this endorsement:

With respect to the portion of Covered Property that would still have required repair or replacement had there been no “fungus,” wet or dry rot or bacteria, the Exclusions and Limitations will not serve to limit the amount of recovery for such repair or replacement.

However, the Exclusions and Limitations shall continue to apply to:

- A.** The cost to treat, contain, remove or dispose of “fungus,” wet rot, dry rot or bacteria beyond that which is required to repair or replace Covered Property;
- B.** The cost of testing as described in **I. A. Coverage, 2.b.3.** above; and
- C.** Any increase in “loss” under any applicable **BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE FORM**, resulting from **V. A. or B.** above.

Regardless of whether the Exclusions and Limitations apply to a “loss,” the Limit of Insurance on Covered Property is not increased. The maximum recoverable, for the total of the cost to repair or replace Covered Property and any additional covered cost to treat, contain, remove, dispose of, or test for “fungus,” wet or dry rot or bacteria, is the applicable Limit of Insurance on the affected Covered Property.

PI-ULT-83 (04/01)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LOSS OF INCOME DUE TO WORKPLACE VIOLENCE**

This endorsement modifies and is subject to the insurance provided under the following:

### **ULTIMATECOVER PROGRAM - BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM**

The following is added to **Section A. Coverage, 4. Additional Coverages:**

**g. Workplace Violence**

**(1) Coverage:**

**Loss of Business Income:**

We will pay for the actual loss of Business Income you sustain due to the suspension of your "operations" caused by any intentional use, or threat to use, deadly force by any person.

The most we will pay under this coverage is \$100,000.

**Extra Expense:**

Coverage is extended to include the cost of public relations consultants or other specialists to restore the insured's reputation following an incident of workplace violence. Additionally, coverage includes mental health counseling for employees.

The most we will pay under this coverage is \$5,000.

**(2) Loss Determination:**

Determination of the Business Income loss under this additional coverage will be calculated only for the location where the workplace violence occurred. Coverage will only be for the "period of restoration".

Extra expense will apply even though operations have resumed. However, they will not apply after 60 days following the incident.

All other terms and conditions remain the same.

PI-ULT-088 (02/2004)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CHANGES – ELECTRONIC DATA**

This endorsement modifies insurance provided under the following:

### **ULTIMATECOVER PROPERTY COVERAGE PART**

- A. Under this endorsement, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. For the purpose of this endorsement, the term electronic data does not include your "stock" of prepackaged software.
- B. This section, B., and the following sections C. and D., apply to the UltimateCover Property Coverage Form, Condominium Association Coverage Endorsement, Commercial Condominium Unit-Owner's Coverage Endorsement, and the UltimateCover Causes of Loss Form. Paragraphs B.1. and B.2. supersede any provisions relating to electronic data, electronic media or valuable papers or records, including any such provisions under Property Not Covered, Coverage Extensions, Valuation Conditions or Limitations in the aforementioned forms.
  - 1. Covered Property does not include electronic data, except as provided below in C., Limited Coverage – Electronic Data.
  - 2. Covered Property does not include the cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. However, limited coverage for valuable papers and records, other than those which exist as electronic data, is provided below in D., Limited Coverage – Valuable Papers And Records (Other Than Electronic Data).

### **C. Limited Coverage – Electronic Data**

- 1. Subject to the provisions of this Limited Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- 2. The Covered Causes of Loss applicable to Your Business Personal Property apply to this Limited Coverage – Electronic Data, subject to the following:
  - a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - b. If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Limited Coverage – Electronic Data.
  - c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

PI-ULT-088 (02/2004)

3. The most we will pay under this Limited Coverage – Electronic Data is \$250,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

**D. Limited Coverage – Valuable Papers And Records (Other Than Electronic Data)**

1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Limited Coverage does not apply to valuable papers and records which exist as electronic data.
2. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
3. Under this Limited Coverage, the most we will pay to replace or restore the lost information is \$250,000 at each described premises. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**E. With respect to the UltimateCover Business Income and/or Extra Expense Coverage Forms, the following exclusion is added:**

**Exclusion – Interruption Of Computer Operations**

1. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided below in F., Limited Coverage – Interruption Of Computer Operations.

2. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided below in F., Limited Coverage – Interruption Of Computer Operations.

**F.Limited Coverage – Interruption Of Computer Operations**

This Limited Coverage applies only to the UltimateCover Business Income and/or Extra Expense Coverage Forms.

1. Subject to all provisions of this Limited Coverage, you may extend the insurance that applies to Business Income and/or Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
2. With respect to the coverage provided under this Limited Coverage, the Covered Causes of Loss are subject to the following:
  - a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - b. If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Limited Coverage – Interruption Of Computer Operations.
  - c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

PI-ULT-088 (02/2004)

3. The most we will pay under this Limited Coverage - Interruption Of Computer Operations is \$250,000 for the total of all loss sustained and/or expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
  4. This Limited Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in 3. above has not been exhausted.
- G. Under the Legal Liability Coverage Form, Covered Property does not include electronic data.
  - H. If this policy is endorsed to cover damage to Covered Property or Business Income loss or Extra Expense caused by or related to interruption in utility service, such coverage does not apply to destruction or corruption of (or any loss or damage to) electronic data.
  - I. If this policy is endorsed to cover Business Income loss or Extra Expense related to "suspension" of "operations" due to loss or damage to a "dependent property", such coverage does not apply when the only loss to "dependent property" is destruction or corruption of (or any loss or damage to) electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under the "dependent property" endorsement will not continue once the other property is repaired, rebuilt or replaced.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ELITE PROPERTY ENHANCEMENT: CONDOMINIUM ASSOCIATION**

This endorsement modifies insurance provided under the Ultimate Cover program:

**PROPERTY COVERAGE FORM  
CAUSES OF LOSS FORM**

**I. Schedule of Coverages and Limits**

The following is a summary of increased limit of insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy.

Coverage Applicable	Limit of Insurance	Page #
Fine Arts	\$35,000	2
Pollutant Clean up and Removal	\$35,000	2
Newly Acquired Property	\$1,000,000 building \$250,000 business personal property	2
Ordinance or Law-Demolition Cost	\$300,000	3
Ordinance or Law – Increased Cost of Construction	\$300,000	3
Increased Period of Restoration	Subject to Business Income limit	3
Structures	Included in building limit	3
Emergency Vacating Expense	\$15,000	3
Automated External Defibrillators (AEDs)	\$5,000	4
Earthquake Sprinkler Leakage	\$10,000	4
Bulkheads, Docks, Piers and Wharves	\$10,000	4
Garages and Carports	\$5,000	4
Business Income and Extra Expense including contingent (Maintenance Fees and Assessments)	\$100,000	4
Reward Reimbursement	\$5,000	5
Spoilage	\$25,000	6
Elevator Collision	\$100,000	6
Personal Property of Others	\$15,000	6
Utility Services – Direct Damage	\$25,000	7
Surface Water	\$10,000	7

**II. Conditions**

**A. Applicability of Coverage**

Coverage provided in forms attached to your policy is amended by this endorsement where applicable.

**B. Limits of Insurance**

- When coverage is provided by this form and another coverage form attached to this policy, the greater limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.

2. Limits of insurance identified herein are not excess of, or in addition to, limits of insurance provided by the **PROPERTY COVERAGE** or **CAUSES OF LOSS FORM** applicable to this endorsement unless otherwise stated.
3. Coverage is considered to be on an occurrence basis (not on a per location basis).

**C. Applicability of Exclusions**

Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

**D. Requirement for Covered Cause of Loss**

Except where a specific covered cause of loss is identified in this coverage enhancement, coverage for the losses described herein are applicable only for covered causes of loss as designated in the **CAUSES OF LOSS FORM** attached to the policy.

**III. The PROPERTY COVERAGE FORM is amended under A. Coverage, 1. Covered Property, a. Your Business Personal Property, (d) "Fine Arts" as follows:**

If the total of "Fine Arts" is over \$35,000, they must be listed in a schedule on file with us.

The **PROPERTY COVERAGE FORM** is amended under **A. Coverage, 2. Property Not Covered, o. "Fine Arts"** as follows:

"**Fine Arts,**" If the total value of such property is greater than \$35,000, unless such property is listed in a schedule on file with us.

**IV. The PROPERTY COVERAGE FORM is amended as follows under A. Coverage, 4. Additional Coverages.**

**f. Pollutant Clean Up and Removal**

The limit of insurance for this additional coverage is increased to \$35,000 for the sum of all covered expenses arising out of a covered cause of loss occurring during each separate 12 month period of this policy.

**V. The PROPERTY COVERAGE FORM is amended as follows under A. Coverage, 5. Coverage Extensions.**

**a. Section a. Newly Acquired Property**

We will pay for direct physical "**loss**" to:

- (1) "**Buildings**"
- (2) Business personal property you acquire; and
- (3) "**Buildings**" which you have had constructed after:
  - (a) Construction is completed; and
  - (b) You have accepted the "**buildings**" for occupancy; and
  - (c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the "**buildings**";

At any premises caused by or resulting from any of the covered causes of loss.

PI-ULT-093 (11/06)

The most we will pay under this coverage extension for "loss" to "buildings" in any one occurrence is \$1,000,000.

The most we will pay under this coverage extension for "loss" to business personal property in any one occurrence is \$250,000.

This coverage extension does not increase the limits of insurance for "buildings" and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

- (1) This policy expires;
- (2) 180 days expire after you acquire the property or have completed construction; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or construction is completed.

**b. Section j. Ordinance or Law**

- (1) The limit of insurance for demolition costs is increased to \$300,000 in any one occurrence.
- (2) The limit of insurance for increased cost of construction is increased to \$300,000 in any one occurrence.

**c. Section I. Increased Period of Restoration Coverage**

We will extend coverage provided under **VIII. n. Business Income and Extra Expense** to include the amount of actual and necessary "loss" you sustain during the increased "period of restoration" of normal business operations. This coverage applies to **Section j. Ordinance or Law**, items (1), (2), and (3).

**VI. The following is added to the PROPERTY COVERAGE FORM under A. Coverage, 1. Covered Property, b. Buildings:**

**(12) Structures**

Structures not described in the Declarations and used in whole as: cabanas, courts for handball, courts for racquet sports, pool houses, gate houses, storage sheds, shelters, mailboxes, gazebos, pump houses, recreation fixtures, outdoor swimming pools including the water they contain, flagpoles, light poles, fountains, outside statues, and freestanding walls.

**VII. The following is added to the PROPERTY COVERAGE FORM under A. Coverage, 4. Additional Coverages:**

**q. Emergency Vacating Expense**

- (1) The coverage provided by this policy is extended to apply to the reasonable expenses that you incur in the emergency vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an emergency situation resulting from a covered cause of loss.
- (2) Emergency will mean imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to occupants.

- (3) We will not pay for any expenses under this extension arising out of:
- (a) A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority; or
  - (b) A planned vacating drill; or
  - (c) The vacating of one or more individuals that is due and confined to their individual medical condition.

No other exclusions in your policy apply to this extension. However, specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

- (4) The most we will pay for emergency vacating expenses in any one occurrence under this extension is \$15,000. The deductible for emergency vacating expenses is \$250 per occurrence.

**r. Automated External Defibrillators**

Automated external defibrillators (AEDs) are considered covered property. Coverage for automated external defibrillators is limited to \$5,000 per occurrence, which is in addition to the Business Personal Property Limit stated on the Declarations.

**s. Earthquake Sprinkler Leakage**

We will pay up to \$10,000 for damages resulting from sprinkler leakage which is caused by earth movement.

**t. Bulkheads, docks, piers and wharves**

Coverage is provided for your bulkheads, docks, piers and wharves. The most we will pay for "loss" or damage in any one occurrence is \$10,000.

**VIII. The following is added to the PROPERTY COVERAGE FORM under A. Coverage, 5. Coverage Extensions:**

**m. Garages and Carports**

Coverage for your building is extended to apply to any garage or carport located at the premises described in the Declarations caused by or resulting from any covered cause of loss. Coverage for all garages and carports is subject to a \$5,000 limit of insurance per location.

**n. Business Income and Extra Expense**

- (1) Coverage is extended to cover Business Income/Extra Expense incurred when your covered building or business personal property listed on the Declarations is damaged by a covered cause of loss.

We will also pay any Extra Expense to continue your normal operations:

- (a) At the described premises; or
- (b) At replacement premises or temporary locations; including:
  - (i) Relocation expenses; and
  - (ii) Costs to equip or operate the replacement or temporary locations; and

PI-ULT-093 (11/06)

(c) We will pay for any corresponding Extra Expense to minimize the suspension of your normal operation if you cannot continue them.

(2) We will pay for the actual "loss" of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical "loss" of or damage to property, other than at the described premises, caused by or resulting from any covered cause of loss. The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins. The coverage for Extra Expense will begin immediately after the time of that action and will end: (1) 3 consecutive weeks after the time of that action; or (2) When your Business Income coverage ends; whichever comes first.

(3) Coverage is extended, subject to all provisions herein, to cover Business Income/Extra Expense incurred when Contingent Business Property is damaged by a covered cause of loss. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

(4) The following, when used in this section, are defined as follows:

(a) Extra Expense necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical "loss" or damage to property caused by or resulting from a covered cause of loss.

(b) Business Income means Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred during the "period of restoration" and continuing normal operating expenses including payroll. Business income includes but is not limited to all maintenance fees and assessments due you from unit owners which you have been unable to collect during the "period of restoration."

(c) Contingent Business Property means property operated by others on whom you depend to:

(i) Deliver materials or services to you or to others for your account (Contributing Locations);

(ii) Accept your products or services (Recipient Locations);

(iii) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(iv) Attract customers to your business (Leader Locations).

The most we will pay under this section is \$100,000 for any one occurrence.

#### **o. Reward Reimbursement**

Coverage is extended to provide a reward for information that leads to a criminal conviction in connection with "loss" or damage to covered property by a covered cause of loss; provided that the reward is pre-approved by the Company. The most we will pay for "loss" or damage under this extension is \$5,000 regardless of the number of persons involved providing information.

This extension does not include arson reward as arson reward is included in **Section 4. Additional Coverages** of the **PROPERTY COVERAGE FORM**.

No deductible shall apply to this coverage.

**p. Spoilage**

(1) We will pay for direct physical “**loss**” or damage to your perishable business personal property, and perishable personal property of others while at or within 1000 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:

- (a) Complete or partial interruption of electrical power to the described premises due to condition beyond your control; or
- (b) Mechanical breakdown or failure of heating, cooling or humidity control equipment or apparatus at the described premises.

(2) Coverage does not apply to:

- (a) The disconnection of any heating, cooling or humidity control equipment or apparatus from the source of power; or
- (b) The deactivation of electrical power or current caused by the throwing of any switch or other device used to control the flow of electrical power or current; or
- (c) The inability of an electric utility company or other power source to provide sufficient power; or
- (d) The inability of a power source at the described premises to provide sufficient power due to insufficient generating capacity to meet demand.

(3) The most we will pay for “**loss**” or damage in any one occurrence is \$25,000.

**q. Elevator Collision**

Coverage is provided for personal property of others in your care, custody or control for damage caused by collision of the elevator, or any property inside, with the elevator or any other objects.

The most we will pay in any one occurrence is \$100,000.

**r. Personal Property of Others**

We will pay for personal property of others including unexplained disappearance that is in your care, custody, or control, and located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

The most we will pay for “**loss**” or damage under this extension is \$15,000 at each described premises. Our payment for “**loss**” of or damage to personal property of others will only be for the account of the owner of the property.

**IX. The CAUSES OF LOSS FORM** is amended as follows:

**A. Section E. Additional Coverage Extensions, 2. Utility Services – Direct Damages:**

The most we will pay under this coverage extension for the sum of all occurrences at all premises

PI-ULT-093 (11/06)

during each separate 12 month period of this policy is \$25,000.

- B. In F. Definitions, 3. Flood,** "surface water" is deleted and included as a covered cause of loss. We will not pay more than \$10,000 in any one occurrence for "surface water."

This extension applies to all claim expenses including, but not limited to building, business personal property, personal property of others, business income and extra expense and debris removal. However, this extension does not apply to roof drainage systems, gutters or downspouts.

#### X. Other Insurance

If there is other insurance under a separate policy covering the same "loss" or damage as provided for in this coverage enhancement, we will pay only for the amount of covered "loss" or damage in excess of the amount due from that other insurance, regardless of whether you are able to collect. However, we will not pay more than the applicable limit of insurance.

#### XI. Definition

**A. "Period of restoration"** means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical "loss" for Business Income coverage; or  
(2) Immediately after the time of direct physical "loss" for Extra Expense coverage; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or  
(2) The date when business is resumed at a new permanent location.

c. "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or  
(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

**B. "Surface water"** means water above the ground surface. "Surface water" does not include overflow of a natural body of water or release of water impounded by a dam.

PI-ULT-094 (11/06)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GUARANTEED REPLACEMENT COST**

This endorsement modifies insurance provided under the following:

### **PROPERTY COVERAGE FORM**

**E. Loss Conditions, 7. Valuation, a. (1) (a)** is deleted in its entirety as respects to "buildings" and **Business Personal Property** only.

**F. General Conditions, 1. Coinsurance** is deleted in its entirety as respects to "buildings" and **Business Personal Property** only.

The following is added to **F. General Conditions** as respects to "buildings" and **Business Personal Property** only:

#### **5. Reporting Provisions:**

You agree to report to us within 30 days of the start of construction, improvement or acquisition, the full replacement cost of:

- a. Additions to, improvements or alterations to "buildings"; and
- b. **Business Personal Property** owned by you to maintain or service the "buildings" at the described premises.

If you do not do so and the total replacement cost is more than \$25,000, any "**loss**" occurring thereafter will be adjusted with a penalty equal to the percentage that the total replacement cost of the unreported items bears to the total replacement cost of the "building" or **Business Personal Property** at the time of "**loss**." We will charge you additional premium for values reported from the date construction begins or you acquire the property.

POLICY NUMBER: PHPK996169

PIC-ULT-NBC-1 (01/08)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES**

This endorsement modifies insurance provided under the following:

### **ULTIMATECOVER PROPERTY COVERAGE PART**

#### **SCHEDULE**

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

<b>State(s)</b>	<b>Coverage Form, Coverage Part Or Policy</b>
GEORGIA	ULTIMATE COVER PROPERTY COVERAGE PART

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B. The following exclusion is added:**

**LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion applies in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

**C. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" excluded under Paragraph **B.** results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

**D. Cap On Certified Terrorism Losses**

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage that is covered and to which the exception in Paragraph **C.** applies:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**E. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the non-applicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the War And Military Action Exclusion.

PI-MANU-1 (01/00)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**Building Glass Coverage**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUILDING GLASS COVERAGE**

This endorsement modifies insurance provided under the following:

**CONDOMINIUM ASSOCIATION COVERAGE ENDORSEMENT**

With respect to "Buildings", provision A.1.b. is amended to include:

Building glass

All other terms and conditions of this Policy remain unchanged.

PI-MANU-1 (01/00)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**Increased Ordinance or Law Limits**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCREASED ORDINANCE OR LAW LIMITS**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM (PI-ULT-007)**

5. Coverage Extensions, j. Ordinance or Law (2), the limit shown is replaced by the following:

The most we will pay for such demolition costs is \$600,000 in any one occurrence.

5. Coverage Extensions, j. Ordinance or Law (3), the limit shown is replaced by the following:

The most we will pay for such increased cost of construction is \$600,000 in any one occurrence.

All other terms and conditions of this Policy remain unchanged.